

Subject to Completion, dated July 2, 2024

Preliminary Prospectus Supplement to the Short Form Base Shelf Prospectus dated July 25, 2022.

A copy of this preliminary prospectus supplement has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus supplement may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby are not for offer or sale in any jurisdiction where to do so would be a violation of securities or other laws.

This prospectus supplement, together with the short form base shelf prospectus dated July 25, 2022 to which it relates, as amended or supplemented, and each document incorporated by reference into this prospectus supplement or the accompanying short form base shelf prospectus dated July 25, 2022, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and, may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from such registration requirements.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated July 25, 2022 from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary’s Department of EQB Inc. at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1, telephone (416) 515 7000, and are also available electronically at www.sedarplus.ca.

New Issue

July •, 2024



EQB Inc.

**\$• •% Limited Recourse Capital Notes, Series 1
(Subordinated Indebtedness)**

**\$• • Non-Cumulative 5-Year Fixed Rate
Reset Preferred Shares, Series 5**

EQB Inc. (“we”, “us” or the “Company”) is offering \$• aggregate principal amount of •% Limited Recourse Capital Notes, Series 1 (Subordinated Indebtedness) (the “Notes”). The Notes will mature on October 31, 2084. The Company will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on April 30 and October 31 of each year, with the first payment on October 31, 2024. From the date of issue to, but excluding, October 31, 2029, the interest rate on the Notes will be fixed at •% per annum. Starting on October 31, 2029 and on every fifth anniversary of such date thereafter until October 31, 2079 (each such date, an “Interest Reset Date”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield (as defined below) on the business day prior to such Interest Reset Date (each, an “Interest Rate Calculation Date”) plus •%. See page S-7 for a definition of Government of Canada Yield. Assuming the Notes are issued on July •, 2024, the first interest payment on the Notes on October 31, 2024 will be in an amount of \$• per \$1,000 principal amount of Notes.

This prospectus supplement, together with the short form base shelf prospectus dated July 25, 2022 to which it relates (the “Prospectus”), also qualifies the distribution of • Non-Cumulative 5-Year Fixed Rate Reset Preferred

Shares, Series 5 of the Company (the “Series 5 Shares”), at a price of \$1,000 per share to be issued to the LRT Trustee (as defined below) in connection with the issuance of the Notes. The Series 5 Shares offered hereby will be issued prior to the closing of the offering of the Notes.

The gross proceeds to the Company from the sale of the Notes will be used by the Company to acquire ●% Limited Recourse Capital Notes, Series 1 (Non-Viability Contingent Capital (NVCC)) (Subordinated Indebtedness) (the “Bank Notes”) of Equitable Bank (the “Bank”). The Bank Notes are intended to qualify as additional Tier 1 capital of the Bank within the meaning of the regulatory capital adequacy requirements to which the Bank is subject. In the event of a Bank Recourse Event (as defined below), the sole remedy of holders of Bank Notes shall be the delivery of the Bank Corresponding Trust Assets (as defined below), which initially shall consist of the Bank Series 5 Shares (as defined below). See “Description of the Bank Notes – Limited Recourse”.

In the event the Bank makes an interest payment in respect of the Bank Notes, the Company irrevocably agrees to forthwith make an interest payment on the corresponding Interest Payment Date (as defined below) in respect of the Notes in the amounts as described in the first paragraph of this prospectus supplement. However, for greater certainty, the failure of the Bank to make an interest payment on the Bank Notes does not alter the interest entitlements of the holders of the Notes.

The Notes will be direct unsecured debt obligations of the Company which, if the Company becomes insolvent or is wound-up, will rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness (as defined below) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) and will be subordinate in right of payment to the claims of the Company’s unsubordinated creditors, provided that in any such case, in case of the Company’s non-payment of the principal amount of, interest on, or Redemption Price (as defined below) for, the Notes when due, the sole remedy of the holders of the Notes shall be the delivery to the holders of their proportionate share of the Corresponding Trust Assets (as defined below).

Upon the occurrence of a Recourse Event (as defined below), the recourse of each holder of the Notes will be limited to the holder’s proportionate share of the Corresponding Trust Assets, and the receipt by each holder of the Notes of its proportionate share of the Corresponding Trust Assets upon the occurrence of a Recourse Event shall exhaust the remedies of such holder under the Notes. If a holder of the Notes does not receive its proportionate share of the Corresponding Trust Assets under such circumstances, the sole remedy of the holder of the Notes for any claims against the Company shall be limited to a claim for the delivery of such Corresponding Trust Assets. If the Corresponding Trust Assets that are delivered to holders of the Notes under such circumstances comprise Series 5 Shares, such Series 5 Shares will rank on parity with the Company’s other Preferred Shares (as defined below). See “Description of the Notes”.

In the event the Bank elects to complete, and has obtained all necessary regulatory approvals relating to a redemption of any number of the Bank Notes, the Company shall provide not less than 10 nor more than 60 days’ prior written notice to the holders of the Notes, and subject to compliance with applicable law, shall automatically, and immediately following the redemption by the Bank of any Bank Notes, redeem the same number of Notes as the number of Bank Notes that have been redeemed by the Bank. In the event that the Company is to redeem less than all of the Notes under such circumstances, the Notes will be redeemed on a *pro rata* basis or in such other manner as the Indenture Trustee shall deem equitable and, where applicable, in accordance with the procedures of CDS. For certainty, to the extent that the Company has immediately prior to or concurrently with such redemption by the Bank of Bank Notes redeemed or purchased for cancellation a corresponding number of Notes in accordance with the terms of the Trust Indenture (as defined below), such requirement to redeem a corresponding number of Notes shall be deemed satisfied. See “Description of the Notes”.

The Notes may be redeemed at the option of the Company, in whole or in part on not less than 10 nor more than 60 days’ prior notice by the Company to the registered holders of the Notes, during the period from September 30 to and including October 31, 2029, and during the period from September 30 to and including October 31 every fifth year thereafter at the Redemption Price, provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Bank Notes. On or following a tax event date (as defined below), the Company may redeem all of the Notes, provided that the Bank elects to complete

and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Bank Notes. In addition, in the event of the redemption of the Series 5 Shares, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Series 5 Shares redeemed will be automatically redeemed. In the event that there is non-payment by the Company of interest on the Notes on an Interest Payment Date, and the Company has not cured such non-payment by subsequently paying such interest prior to the fifth business day following such Interest Payment Date, a Recourse Event will have occurred and the sole remedy of each holder of Notes shall be the delivery of such holder's proportionate share of the Corresponding Trust Assets. Immediately after the Failed Coupon Payment Date (as defined below), pursuant to the limited recourse feature described in this prospectus supplement, each holder of Notes will receive such holder's proportionate share of the Corresponding Trust Assets. Upon delivery to holders of their proportionate share of the Corresponding Trust Assets following a Failed Coupon Payment Date, all Notes will cease to be outstanding, no further interest will accrue thereon and each holder of the Notes will cease to be entitled to any payment of principal of or interest on the Notes. See "Description of the Notes" and "Description of the Series 5 Shares".

An investment in the Notes (and Series 5 Shares upon delivery of the Corresponding Trust Assets) bears certain risks. See "Risk Factors" in this prospectus supplement and in the Prospectus.

	Price to the Public	Agents' Fee	Net Proceeds to the Company ⁽¹⁾
Per \$1,000 principal amount of Notes ⁽²⁾	\$1,000	\$10.00	\$990
Total	\$●	\$●	\$●

(1) After deducting the Agents' (as defined below) fee shown in the table above, but before deducting expenses of the offering, estimated to be approximately \$●. The expenses of the offering and the Agents' fee will be paid from the Company's operating credit facility.

(2) The Notes will be issued only in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

The purchase price for the Series 5 Shares qualified hereby shall be satisfied by funds paid by the Company to the LRT Trustee to satisfy the subscription price for voting trust units of the Limited Recourse Trust (as defined below). As a result, no proceeds will be raised from the offering of the Series 5 Shares pursuant to this prospectus supplement.

Information about the right to withdraw or rescind from an agreement to purchase securities is provided under the heading "Statutory Rights of Withdrawal and Rescission".

National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., RBC Dominion Securities Inc. and TD Securities Inc. (collectively, the "Agents" and each an "Agent"), as agents, conditionally offer the Notes, subject to prior sale, on a best efforts basis, if, as and when issued by the Company in accordance with the conditions contained in the agency agreement described under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by McCarthy Tétrault LLP, and on behalf of the Agents by Torys LLP. See "Plan of Distribution".

Each of CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. is, directly or indirectly, a wholly-owned subsidiary or an affiliate of a Canadian chartered bank or other financial institution that has entered into a credit facility, as lender, with the Company. Each of BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc. is, directly or indirectly, a wholly-owned subsidiary or an affiliate of a Canadian chartered bank or other financial institution that has entered into one or more credit facilities, as lender, with the Bank used to finance insured residential loans prior to securitization and the Bank's securitization activities include selling uninsured loans by entering into an agreement with a bank affiliate of the Agents and participating in a securitization program sponsored by that bank. Consequently, the Company may be considered a "connected issuer" of such Agents for the purposes of securities regulations in certain provinces and territories of Canada. See "Relationship Between the Company and the Agents". The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiations between the Company on the one hand and the Agents on the other hand. National Bank Financial Inc. and Scotia Capital Inc., Agents in respect of which the Company is not a related or connected issuer, have participated in the structuring and pricing of the offering, and in the due diligence activities performed by the Agents for the offering.

BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. will not receive any benefit in connection with this offering other than a portion of the Agents' fee payable by the Company.

The Notes may only be offered and sold in Canada to “accredited investors” (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”) or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals. Each Agent will represent and covenant, severally and not on a joint and several basis, to the Company that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Company and the Agent from whom the purchase confirmation is received that such purchaser is an “accredited investor” (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual.**

No underwriter has been involved in the issuance of the Series 5 Shares to the LRT Trustee.

In connection with this offering, the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

There is no market through which the Notes or the Series 5 Shares may be sold and purchasers of such securities may not be able to resell the Notes or the Series 5 Shares purchased under this prospectus supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

Subscriptions for Notes received will be subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will take place on July ●, 2024, or such later date as the Company and the Agents may agree. The Notes will be issued in “book-entry only” form. The aggregate principal amount of the Notes will be issued in certificated or uncertificated form and registered in the name of CDS Clearing & Depository Services Inc. (“CDS”) or its nominee and will be deposited with CDS or its nominee on the closing date. No physical certificates evidencing the Notes will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of Notes will receive only a customer confirmation from the Agent or other registered dealer who is a participant in the depository service of CDS and from or through whom a beneficial interest in the Notes is purchased. See “Description of the Notes”.

In this prospectus supplement, unless otherwise specified, all dollar amounts are expressed in Canadian dollars. In this prospectus supplement, unless otherwise indicated, capitalized terms which are defined in the Prospectus are used herein with the meanings defined therein.

The registered and head office of the Company is located at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1.

The CUSIP No./ISIN for the Notes will be ● / CA●. The CUSIP No./ISIN for the Series 5 Shares will be ● / CA●.

TABLE OF CONTENTS

	Page
ELIGIBILITY FOR INVESTMENT.....	S-1
CAUTION REGARDING FORWARD-LOOKING STATEMENTS.....	S-2
DOCUMENTS INCORPORATED BY REFERENCE	S-3
MARKETING MATERIALS	S-4
EQB INC.	S-4
RECENT DEVELOPMENTS	S-6
DESCRIPTION OF THE NOTES.....	S-6
DESCRIPTION OF THE SERIES 5 SHARES	S-15
DESCRIPTION OF THE BANK NOTES	S-20
DESCRIPTION OF THE BANK SERIES 5 SHARES.....	S-30
RATINGS.....	S-32
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	S-33
CONSOLIDATED CAPITALIZATION	S-36
USE OF PROCEEDS	S-37
PLAN OF DISTRIBUTION	S-37
BOOK-ENTRY ONLY SECURITIES.....	S-38
EARNINGS COVERAGE	S-39
PRIOR SALES	S-40
TRADING PRICE AND VOLUME	S-40
RISK FACTORS	S-40
RELATIONSHIP BETWEEN THE COMPANY AND THE AGENTS.....	S-47
LEGAL MATTERS	S-48
STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION	S-48
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	S-49
CERTIFICATE OF THE AGENTS	C-1

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Company, and Torys LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “Tax Act”), the Notes and the Series 5 Shares, if issued on the date of this prospectus supplement, would be, on such date, qualified investments under the Tax Act and the regulations thereunder for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a registered disability savings plan (“RDSP”), a deferred profit sharing plan (other than, in respect of the Notes, trusts governed by deferred profit sharing plans for which any employer is the Company, or a corporation with which the Company does not deal at arm’s length within the meaning of the Tax Act), a tax-free savings account (“TFSA”) or a first home savings account (“FHSA”).

Notwithstanding that the Notes or the Series 5 Shares may be qualified investments for a trust governed by a RRSP, RRIF, RESP, RDSP, TFSA or FHSA, the annuitant under a RRSP or RRIF, the subscriber of a RESP or the holder of a RDSP, TFSA or FHSA will be subject to a penalty tax with respect to the Notes or the Series 5 Shares, as the case may be, if the Notes or the Series 5 Shares are a “prohibited investment” for the RRSP, RRIF, RESP, RDSP, TFSA or FHSA, as the case may be. The Notes and the Series 5 Shares will generally not be a “prohibited investment” provided the annuitant, the subscriber or the holder, as the case may be: (i) deals at arm’s length with the Company for purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Company. In addition, the Series 5 Shares will generally not be a “prohibited investment” for a trust governed by a RRSP, RRIF, RESP, RDSP, TFSA or FHSA if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for such trusts. Annuitants under a RRSP or RRIF, subscribers of a RESP and holders of a RDSP, TFSA or FHSA should consult their own tax advisors regarding whether the Notes or the Series 5 Shares will be prohibited investments in their particular circumstances.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement, including those documents incorporated by reference, constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements about the Company's objectives, strategies and initiatives, financial performance expectations and other statements made herein and in the documents incorporated by reference herein, whether with respect to the Company's businesses or the Canadian economy. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "guidance", "planned", "estimates", "forecasts", "outlook", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases which state that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur", "be achieved", "will likely" or other similar expressions of future or conditional verbs.

Some of the specific forward-looking statements in this prospectus supplement, and the documents incorporated by reference, include, but are not limited to forward-looking statements relating to: the offering, including in respect of the use of proceeds from the offering, the plan of distribution and the expected date of the offering closing; the Company's objectives, strategies and initiatives, financial performance expectations and other statements made herein or in the documents incorporated by reference, whether with respect to the Company's businesses or the Canadian economy.

By their very nature, forward-looking statements are based on assumptions and involve inherent risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove to be inaccurate. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: the ability of the Company to execute on key priorities, including the successful completion of acquisitions and dispositions; disruptions in or attacks (including cyber-attacks) on the Company's or the Bank's information technology, internet, network access or other voice or data communications systems or services; the impact of new and changes to, or application of, current laws and regulations, including without limitation tax laws, mortgage rules, risk-based capital guidelines and liquidity regulatory guidance; changes to the Company's or the Bank's credit ratings; changes in currency and interest rates (including the possibility of negative interest rates); increased funding costs and market volatility due to market illiquidity and competition for funding; critical accounting estimates and changes to accounting standards, policies and methods used by the Company or the Bank; the nature of the Bank's customers and rates of default, the impact of the COVID-19 coronavirus pandemic on the Company's and the Bank's operations and business and the Canadian economy generally, and competition; the Notes and the Series 5 Shares being subject to the Company's credit risk; capital markets and additional funding requirements, fluctuating interest rates and the general business and economic conditions in which the Company and the Bank operate; the holder of Notes having limited remedies; the Notes ranking subordinate to all Higher Ranked Indebtedness in the event of the Company's insolvency, dissolution or winding-up; the investment in the Notes becoming an investment in Series 5 Shares in certain circumstances; there being no market for the Notes or the Series 5 Shares; the market value of the Notes being subject to interest rate risk and the possibility of the Notes trading at a discount from their initial offering price; the market value of the Series 5 Shares fluctuating; the Series 5 Shares being non-cumulative and the risk that the Company will be unable to pay dividends on the shares; the ranking of Series 5 Shares on insolvency, dissolution, liquidation or winding-up; the Bank Series 5 Shares being subject to an automatic and immediate redemption in exchange for Bank Common Shares upon a Trigger Event (as defined herein) and a Contingent Conversion (as defined herein); a Trigger Event may involve a subjective determination outside the Bank's control; the number and value of Bank Common Shares to be received in connection with a Contingent Conversion, which is variable and subject to further dilution; circumstances surrounding a potential Contingent Conversion which will have an adverse effect on the market price of the Bank Notes and Bank Series 5 Shares and may also indirectly have an adverse effect on the market price of the Notes, Series 5 Shares and other securities of the Company; indirect exposure to losses through the use of other Canadian bank resolution powers or in liquidation; any potential compensation to be provided through the compensation process under the Canada Deposit Insurance Corporation Act is unknown; the occurrence of a Trigger Event, and the rights of holders of Bank Notes, Bank Series 5 Shares, Bank Common Shares, Notes or Series 5 Shares in such

circumstances; lack of anti-dilution protections; the fact that the interest rate in respect of the Notes will reset; the Company's ability to redeem the Notes in certain situations; the fact that the dividend rate in respect of the Series 5 Shares will reset; the Company's ability to redeem the Series 5 Shares at its option in certain situations; the Company deriving substantially all of its income from the Bank; the Company having no limitation on issuing senior or pari passu securities; as well as other factors discussed under the heading "Risk Factors" herein, as well as those factors discussed under the heading "Risk Management" in the Q-2 2024 MD&A (as defined below), and in its documents filed on SEDAR+ at www.sedarplus.ca.

All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current credit, interest rate and liquidity conditions affecting the Company and the Canadian economy as of the date of this prospectus supplement. Although the Company believes the assumptions used to make such statements are reasonable at this time, and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by the Company in making forward-looking statements, including without limitation assumptions regarding: its continued ability to fund its loan business; a continuation of the current level of economic uncertainty that affects real estate market conditions including, without limitation, impacts as a result of COVID-19; continued acceptance of its products in the marketplace; and no material changes in its operating cost structure and the current tax regime. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company further cautions that the foregoing list of factors is not exhaustive. For more information on the risks, uncertainties and assumptions that would cause the Company's actual results to differ from current expectations, please also refer to the section "Risk Management" in the Q-2 2024 MD&A as well as to other public filings available on SEDAR+ at www.sedarplus.ca.

The Company does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by law.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Notes and Series 5 Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. In addition, the following documents filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada are incorporated by reference into this prospectus supplement:

- (i) the Company's annual information form dated December 7, 2023 for the year ended October 31, 2023;
- (ii) the management information circular dated as of February 15, 2024 with respect to the annual and special meeting of shareholders of the Company held on April 10, 2024;
- (iii) the Company's consolidated balance sheets as at October 31, 2023 and December 31, 2022 and for the periods then ended, the consolidated statements of income and comprehensive income, the consolidated statements of changes in shareholders' equity, the consolidated statements of cash flows and the notes to the consolidated financial statements, including a summary of material accounting policy information, together with the auditor's report thereon;
- (iv) the Company's management's discussion and analysis for the year ended October 31, 2023 (the "2023 MD&A");
- (v) the Company's unaudited condensed consolidated interim financial statements for the three and six month period ended April 30, 2024, together with the notes thereto;

- (vi) the Company's management's discussion and analysis for the three and six month period ended April 30, 2024 (the "Q-2 2024 MD&A");
- (vii) the indicative term sheet delivered to potential investors with respect to this offering dated July 2, 2024 (the "Indicative Term Sheet");
- (viii) the revised indicative term sheet delivered to potential investors with respect to this offering dated July ●, 2024 (the "Revised Indicative Term Sheet");
- (ix) the final term sheet delivered to potential investors with respect to this offering dated July ●, 2024 (the "Final Term Sheet"); and
- (x) the investor presentation used in connection with this offering of Notes dated July 2, 2024 (together with the Indicative Term Sheet, Revised Indicative Term Sheet and Final Term Sheet, the "Marketing Materials").

Any document of the type described in Section 11.1 of Form 44-101F1— *Short Form Prospectus* that specifically states that it is to be incorporated by reference into this prospectus supplement or required to be incorporated by reference herein under applicable Canadian securities laws which are filed by the Company with the securities regulatory authorities in any of the provinces or territories of Canada subsequent to the date of this prospectus supplement and prior to the termination of the distribution under the offering shall be deemed to be incorporated by reference into this prospectus supplement.

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*), including the Marketing Materials, will not form part of this prospectus supplement to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in this prospectus supplement or any amendment. Any template version of marketing materials filed on SEDAR+ after the date of this prospectus supplement and before the termination of the distribution of the Notes and the Series 5 Shares under this prospectus supplement will be deemed to be incorporated into this prospectus supplement.

EQB INC.

The Company was formed on January 1, 2004 to serve as the holding company of The Equitable Trust Company, pursuant to a Certificate of Amalgamation issued under the *Business Corporations Act* (Ontario) ("OBCA"). At that time, The Equitable Trust Company was a federally regulated financial institution incorporated in 1970 by Letters Patent issued under the predecessor statute of the *Trust and Loan Companies Act* (Canada). The Equitable Trust Company was continued as Equitable Bank by Letters Patent issued under the *Bank Act* (Canada) (the "Bank Act") on June 26, 2013.

In October 2018, the Bank received approval from the Minister of Finance to incorporate a wholly-owned trust subsidiary, Equitable Trust (the "Trust"). In January 2019, the Trust obtained the "Order to Commence and Carry on Business" from the Office of the Superintendent of Financial Institutions Canada ("OSFI") effective December 19, 2018.

On January 1, 2019, the Bank acquired Bennington Financial Corp., a privately owned company serving the brokered equipment leasing market in Canada. It is also a wholly-owned subsidiary of the Bank.

On October 15, 2021, the Company filed articles of amendment to effect a two-for-one split of the Common Shares, and, on June 6, 2022, the Company filed articles of amendment to change its corporate name from “Equitable Group Inc.” to “EQB Inc.”.

On November 1, 2022 the Bank acquired Concentra Bank (“Concentra”). The Bank owns 100% of the issued and outstanding common shares of Concentra. Concentra owns 100% of the issued and outstanding shares of Concentra Trust, which was formed under the *Trust and Loans Companies Act* (Canada). Equitable Bank and Concentra are each a Schedule I bank under the *Bank Act* (Canada), and their activities are supervised by OSFI.

On December 14, 2023 the Company announced the acquisition of a majority interest in ACM Advisors, Ltd. (“ACM”), one of Canada’s most respected alternative asset managers. The Company owns 75% of the issued and outstanding common shares of ACM.

The Company’s registered and head office is located at 30 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 3A1.

Business Overview

The Company directly holds 100% of all issued and outstanding shares of its subsidiary, the Bank, and has limited business activities outside the ownership of the Bank. The Bank is a Schedule I bank under the Bank Act, and its activities are supervised by OSFI.

The Bank serves more than 639,000 Canadians with combined assets under management and administration of \$123 billion. The Company is a member of the S&P/TSX Composite, the S&P/TSX Bank, S&P/TSX Dividend Aristocrats, S&P/TSX Small Cap, S&P Canada BMI, and MSCI Small Cap (Canada) indices.

The Bank specializes in market segments where it can improve the banking experience and operate with sustainable competitive advantage. As a challenger bank, the Bank rethinks conventional approaches to banking, and pushes for smarter ways to do business that benefit its customers. In practice, it differentiates itself by providing a host of challenger bank deposit services, alternative single-family lending, reverse mortgage lending, insurance policy lending, specialized commercial financing and equipment leasing. The Bank’s challenger mindset has allowed it to become a leading alternative single family residential lender in Canada and the country’s largest multi-residential insured lender. Its innovations in the independent mortgage broker channel reflect its long-term focus on providing great service. As a branchless digital bank, the Bank stays lean and nimble, which allows the opportunity to act quickly and profitably on new opportunities.

Personal Banking

Personal Banking operates through three businesses lines – EQ Bank, Residential Lending, and Wealth Decumulation. Its businesses serve customers with innovative products and services that disrupt the status quo of banking by giving customers better financial value and an end-to-end experience designed with customers in mind. Its customer segments transverse all stages of life and include young people, students, the self-employed, entrepreneurs, high net-worth individuals, Canadians seeking retirement and retirees. The Company specifically looks for opportunities to create better banking experiences and to address customer segments underserved by other financial institutions. Its competition includes other Schedule I banks, trust companies, mortgage lenders, and certain fintechs.

Commercial Banking

Commercial Banking operates through five business lines – Business Enterprise Solutions, Commercial Finance Group, Multi-unit Insured, Specialized Finance, and Equipment Leasing – serving over 21,000 business customers. Its businesses compete in the market based on service excellence, the breadth and strength of partnerships,

and their in-depth market knowledge. Competition varies widely across each business line and can include large banks but more commonly smaller banks and other independent financial institutions and lenders.

RECENT DEVELOPMENTS

In June 2024, the Bank introduced the Notice Savings Account, a new product aimed at providing customers with flexible savings options and competitive interest rates. This account allows customers to earn interest with specified notice periods for withdrawals, without incurring fees or requiring a minimum balance. The product addresses short to mid-term savings needs, offering a balance between accessibility and interest earnings.

DESCRIPTION OF THE NOTES

The following summarizes certain provisions of the Notes and the Trust Indenture, but does not describe every aspect of the Notes or the Trust Indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Notes and the Trust Indenture, including the definitions of certain terms that are not defined in this prospectus supplement. In this summary, only some of the more important terms are described. You must look to the Trust Indenture for a complete description of what is summarized below. A copy of the Trust Indenture will be available on SEDAR+ at www.sedarplus.ca.

General

The Notes will be issued as subordinated debt securities under an indenture to be dated as of the closing date of the offering hereunder (the “Trust Indenture”) between the Company and Computershare Trust Company of Canada, as indenture trustee (the “Indenture Trustee”). The Trust Indenture will be governed by the laws of Ontario and the federal laws of Canada applicable therein. There is no limit on the amount of limited recourse capital notes or other subordinated indebtedness the Company may issue.

The Notes will be direct unsecured debt obligations of the Company which, if the Company becomes insolvent or is wound-up, will rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (as defined below), including certain Subordinated Indebtedness (as defined below) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (as defined below) (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) and will be subordinate in right of payment to the claims of the Company’s unsubordinated creditors, provided that in any such case, in case of the Company’s non-payment of the principal amount of, interest on, or Redemption Price for, the Notes when due, the sole remedy of the holders of the Notes shall be the delivery to the holders of their proportionate share of the Corresponding Trust Assets.

Upon the occurrence of a Recourse Event, the recourse of each holder of the Notes will be limited to the holder’s proportionate share of the Corresponding Trust Assets, and the receipt by each holder of the Notes of its proportionate share of the Corresponding Trust Assets upon the occurrence of a Recourse Event shall exhaust the remedies of such holder under the Notes. If a holder of the Notes does not receive its proportionate share of the Corresponding Trust Assets under such circumstances, the sole remedy of the holder of the Notes for any claims against the Company shall be limited to a claim for the delivery of such Corresponding Trust Assets. If the Corresponding Trust Assets that are delivered to holders of the Notes under such circumstances comprise Series 5 Shares, such Series 5 Shares will rank on parity with the Company’s other Preferred Shares. Upon delivery to the holders of Notes of their proportionate share of the Corresponding Trust Assets, all Notes will cease to be outstanding.

The Notes will not be deposits insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.

The Notes are not entitled to the benefits of any sinking fund.

Principal, Interest and Maturity

The Notes will be issued in an aggregate principal amount of \$● and will be repayable at 100% of the principal amount at maturity on October 31, 2084. On maturity, the Company will repay to holders of the Notes the principal amount, plus accrued and unpaid interest to, but excluding, the maturity date of the Notes.

The Company will pay interest on the Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on April 30 and October 31 of each year (each, an “Interest Payment Date”), with the first payment on October 31, 2024. From the date of issue to, but excluding, October 31, 2029, the Notes will bear interest at the rate of ●% per annum. Starting on October 31, 2029 and on every fifth anniversary of such date thereafter until October 31, 2079 (each such date an “Interest Reset Date”), the interest rate on the Notes will be reset at an interest rate per annum equal to the Government of Canada Yield on the business day prior to such Interest Reset Date (each, an “Interest Rate Calculation Date”) plus ●%. Assuming the Notes are issued on July ●, 2024, the first interest payment on the Notes on October 31, 2024 will be in an amount of \$● per \$1,000 principal amount of Notes. The principal of, and interest on, the Notes will be paid in Canadian dollars.

In the event the Bank makes an interest payment in respect of the Bank Notes, the Company irrevocably agrees to forthwith make an interest payment on the corresponding interest payment date in respect of the Notes in the amounts as described in the preceding paragraph. However, for greater certainty, the failure of the Bank to make an interest payment on the Bank Notes does not alter the interest entitlements of the holders of the Notes.

Each payment of interest on the Notes will include interest accrued to, but excluding, the applicable Interest Payment Date or the date of maturity (or earlier purchase or redemption, if applicable). Any payment of principal or interest required to be made on a day which is not a business day will be made on the next succeeding business day (without any additional interest or other payment in respect of the delay).

“Bloomberg Screen GCAN5YR Page” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

A “business day” means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or obligated by law or executive order to close in the city of Toronto, Ontario.

The “Government of Canada Yield” means, as at any Interest Rate Calculation Date for an Interest Reset Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, as determined by two independent Canadian investment dealers (each of which is a member of the Canadian Investment Regulatory Organization or any successor to or of the Canadian Investment Regulatory Organization) selected by the Company, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span the period from such Interest Reset Date to, but excluding, the next Interest Reset Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

Form, Denomination and Transfer

The Notes will be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

The Notes will be issued in “book-entry only” form and must be purchased or transferred through participants in the depository service of CDS. See “*Book-Entry-Only Securities*”.

Subordination

The Trust Indenture provides that, if the Company becomes insolvent or is wound-up, the Notes will rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness (including certain Subordinated Indebtedness) and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) in each case from time to time outstanding, and will be subordinate in right of payment to the claims of the Company’s unsubordinated creditors, provided that in any such case, in case of the Company’s non-payment of the principal amount of, interest on, or Redemption Price for, the Notes when due, the sole remedy of the holders of the Notes shall be the delivery to the holders of their proportionate share of the Corresponding Trust Assets. Upon the occurrence of a Recourse Event, including an event of default, the recourse of each holder of the Notes will be limited to such holder’s proportionate share of the Corresponding Trust Assets, and all claims of the holders of Notes against the Company under the Notes will be extinguished upon receipt of the Corresponding Trust Assets. If a holder of the Notes does not receive its proportionate share of the Corresponding Trust Assets under such circumstances, the sole remedy of the holder of the Notes for any claims against the Company shall be limited to a claim for the delivery of such Corresponding Trust Assets. If the Corresponding Trust Assets that are delivered to holders of the Notes under such circumstances comprise Series 5 Shares, such Series 5 Shares will rank on parity with the Company’s other Preferred Shares. For the avoidance of doubt, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or a wind-up of the Company, since once the Corresponding Trust Assets shall have been delivered to the holders of Notes, such delivery will have exhausted all remedies of such holders against the Company, and the Notes shall have ceased to be outstanding.

For these purposes,

- “Higher Ranked Indebtedness” at any time means all Indebtedness then outstanding, including all Subordinated Indebtedness then outstanding, other than Junior Subordinated Indebtedness.
- “Indebtedness” at any time means all liabilities and obligations of the Company which in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board would be included in determining the total liabilities of the Company at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Company.
- “Junior Subordinated Indebtedness” means Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Notes.
- “Senior Indebtedness” at any time means Indebtedness which by its terms is not expressly subordinated to any other Indebtedness.
- “Subordinated Indebtedness” at any time means Indebtedness which by its terms is expressly subordinated to Senior Indebtedness.

Events of Default

The Trust Indenture provides that an event of default in respect of the Notes will occur if the Company becomes insolvent or bankrupt or subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or analogous laws, or any statute hereinafter enacted in substitution therefor, as such statute, or substituted statute, may be amended from time to time, or if the Company makes a general assignment for the benefit of its creditors, or if the Company goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Company or otherwise acknowledges its insolvency. An event of default under the Notes will not include any non-payment by

the Company of the principal amount of or interest on the Notes or the non-performance by the Company of any other covenant of the Company in the Trust Indenture.

An event of default is a Recourse Event. On the occurrence of a Recourse Event, the recourse of each holder of Notes will be limited to such holder's proportionate share of the Corresponding Trust Assets. The delivery of the Corresponding Trust Assets to the holders of the Notes will exhaust all remedies of such holders in connection with such event of default, and all claims of holders of Notes against the Company under the Notes will be extinguished upon receipt of the Corresponding Trust Assets. See "*Limited Recourse*".

A resolution or order for winding-up the Company, with a view to its reorganization or its consolidation, amalgamation or merger with another entity or the transfer of its assets as an entirety to another entity in compliance with the Trust Indenture, does not entitle a holder of Notes to demand payment of principal prior to maturity.

Limited Recourse

In the event of non-payment by the Company of the principal amount of, interest on, or Redemption Price for, the Notes when due, while a holder of Notes will have a claim against the Company for the principal amount of the Notes and any accrued and unpaid interest (which will then be due and payable), the recourse of each holder of the Notes will be limited to the assets held by Computershare Trust Company of Canada, as trustee (the "LRT Trustee") of the EQB LRCN Limited Recourse Trust (the "Limited Recourse Trust") from time to time ("Corresponding Trust Assets") in respect of the Notes. The LRT Trustee will hold legal title to the Corresponding Trust Assets for the benefit of the Company to satisfy the recourse of the holders of Notes in respect of the Company's obligations under the Trust Indenture. The Corresponding Trust Assets in respect of the Notes may consist of (i) Series 5 Shares (or proceeds with respect to the subscription for voting trust units of the Limited Recourse Trust by the Company, which proceeds are required to be used by the LRT Trustee to subscribe for Series 5 Shares), (ii) cash if the Series 5 Shares are redeemed, or purchased by the Company for cancellation, for cash by the Company (other than any portion of such cash in respect of declared and unpaid dividends), or (iii) a combination thereof, depending on the circumstances. On the closing of the offering of the Notes, the Corresponding Trust Assets in respect of the Notes shall consist of ● Series 5 Shares. At no time shall the Corresponding Trust Assets include any dividends paid on the Series 5 Shares or any right to receive declared, but unpaid, dividends on the Series 5 Shares.

The Limited Recourse Trust is a trust established under the laws of Manitoba, to be governed by an amended and restated declaration of trust dated on or around but no later than the closing date of the offering (as may be further amended or restated from time to time, the "Limited Recourse Trust Declaration"). The Limited Recourse Trust's objective is to acquire and hold the Corresponding Trust Assets in accordance with the terms of the Limited Recourse Trust Declaration. The LRT Trustee may hold trust assets in respect of more than one series of limited recourse capital notes of the Company, in which case the LRT Trustee will hold the trust assets for each such series of notes separate from the trust assets for any other series of such notes and shall deliver such trust assets only in respect of the relevant series of notes.

If a Recourse Event occurs, the Company will, no later than one business day after the occurrence of such Recourse Event, notify the LRT Trustee and the Indenture Trustee of the occurrence of such Recourse Event. "Recourse Event" means any of the following: (i) there is non-payment by the Company of the principal amount of the Notes, together with any accrued and unpaid interest, in cash on the maturity date of the Notes; (ii) a Failed Coupon Payment Date occurs; (iii) the Company does not pay on the applicable redemption date the Redemption Price in connection with the redemption of the Notes in cash; (iv) an event of default under the Notes occurs; or (v) a Bank Note Recourse Event occurs. "Failed Coupon Payment Date" means the fifth business day immediately following an Interest Payment Date upon which the Company does not pay interest on the Notes and has not cured such non-payment by subsequently paying such interest prior to such fifth business day. "Bank Note Recourse Event" means the occurrence of, with respect to the Bank Notes, (i) any event corresponding to those described in clauses (i) through (iv) of the definition of "Recourse Event"; (ii) a Trigger Event; or (iii) a Recourse Event (other than a Bank Note Recourse Event) with respect to the Notes.

Upon a Recourse Event, the principal amount of, and accrued and unpaid interest on, all of the Notes will become immediately due and payable by the Company without any declaration or other act on the part of the Indenture

Trustee or any holders of the Notes, provided that the sole remedy of the holders of the Notes for such amounts due and payable by the Company shall be the delivery of the Corresponding Trust Assets.

Following delivery of a notice of a Recourse Event by the Company to the LRT Trustee and the Indenture Trustee, the Company will take any necessary actions to cause the LRT Trustee to deliver the Corresponding Trust Assets in respect of the Notes to the holders of Notes in accordance with the terms of the Limited Recourse Trust Declaration and the Trust Indenture.

If the Corresponding Trust Assets consist of Series 5 Shares at the time a Recourse Event occurs, the LRT Trustee will deliver to each holder of Notes one Series 5 Share for each \$1,000 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Series 5 Shares will exhaust all remedies of each holder of Notes against the Company for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable.

The Limited Recourse Trust will only be dissolved following the earlier to occur of the following events: (a) no Notes (or any other limited recourse capital notes issued by the Company) are outstanding and held by a person other than the Company (whether through (i) a cash redemption by the Company of all preferred shares held by the Limited Recourse Trust and corresponding cash redemption of all corresponding limited recourse capital notes issued by the Company, (ii) delivery of all preferred shares held by the Limited Recourse Trust to holders of the corresponding limited recourse capital notes issued by the Company on maturity or any earlier date on which the principal amount of and interest on the corresponding limited recourse capital notes becomes due and payable, or (iii) the purchase for cancellation of all limited recourse capital notes issued by the Company); and (b) each of the LRT Trustee and the Company elects in writing to terminate the Limited Recourse Trust and such termination is approved by the holders of the Notes in accordance with the terms of the Trust Indenture and the holders of any other limited recourse capital notes issued by the Company in accordance with the terms of the indentures under which they are issued.

Any amendment or supplement to the Limited Recourse Trust Declaration for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Limited Recourse Trust Declaration requires the prior consent of the holders of the Notes in accordance with the terms of the Trust Indenture and the holders of any other limited recourse capital notes issued by the Company in accordance with the terms of the indentures under which they are issued.

By acquiring any Note, each holder irrevocably acknowledges and agrees with, and for the benefit of, the Company and the Indenture Trustee that the delivery of such holder's proportionate share of the Corresponding Trust Assets to such holder shall exhaust all remedies of such holder against the Company under the Notes, including in connection with any event of default. All claims of a holder of the Notes against the Company shall be extinguished upon receipt by such holder of such holder's proportionate share of the Corresponding Trust Assets. If the Company does not deliver, or fails to cause the LRT Trustee to deliver, a holder's proportionate share of the Corresponding Trust Assets to such holder, the sole remedy of such holder for any claims against the Company shall be recourse to such holder's proportionate share of the Corresponding Trust Assets. The delivery of the Corresponding Trust Assets to the holders of the Notes shall be applied to the payment of the principal amount of the Notes and will extinguish all claims of such holder against the Company for repayment of the principal amount of the Notes and any accrued and unpaid interest thereon when due and payable. In case of any shortfall resulting from the value of the Corresponding Trust Assets being less than the principal amount of, and any accrued and unpaid interest on, the Notes, all losses arising from such shortfall shall be borne by the holders of the Notes.

The Company has entered into an agreement with the LRT Trustee (the "EQB Indemnity Agreement") to indemnify the LRT Trustee against certain claims, liabilities, losses and damages suffered by the LRT Trustee in connection with acting as trustee of the Limited Recourse Trust. The LRT Trustee agreed to exercise and exhaust all its remedies against the Company under the EQB Indemnity Agreement prior to exercising any rights of indemnity under the Limited Recourse Trust Declaration. Provided that the LRT Trustee has so exercised and exhausted its rights under the EQB Indemnity Agreement, the LRT Trustee will be indemnified and saved harmless out of the Corresponding Trust Assets from and against all claims, liabilities, losses, damages, penalties, actions, suits, demands, levies, expenses and disbursements including, without limitation, any and all reasonable legal and adviser fees and disbursements, whether groundless or otherwise, including costs (including legal costs on a solicitor and client basis),

charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as LRT Trustee and also from and against all other costs (including legal costs on a solicitor and client basis), charges, and expenses which it sustains or incurs in or about or in relation to the affairs of the Limited Recourse Trust, except such as may be incurred as a result of the wilful misconduct, gross negligence, fraud or bad faith of the LRT Trustee.

The LRT Trustee has entered into an agreement (as amended from time to time) (the “Administration Agreement”) with the Company pursuant to which the LRT Trustee has appointed the Company to provide services on behalf of the LRT Trustee, subject to the direction and control of the LRT Trustee, in relation to the administration of the Limited Recourse Trust. The Company, in its role as administrative agent under the Administration Agreement (the “Administrative Agent”), will administer on behalf of and for the account of the Limited Recourse Trust the activities of the Limited Recourse Trust in connection with the direct or indirect acquisition, administration and management by the LRT Trustee of the assets of the Limited Recourse Trust. The Administrative Agent may, from time to time, delegate or sub-contract all or a portion of its obligations under the Administration Agreement to one or more persons. The Administrative Agent will not, in connection with the delegation or sub-contracting of any of such obligations, be discharged or relieved in any respect from its obligations under the Administration Agreement. The Administrative Agent will not receive a fee from the LRT Trustee for performing its obligations under the Administration Agreement.

The Administrative Agent’s rights and obligations under the Administration Agreement will terminate if the Administrative Agent receives a termination notice in writing from the LRT Trustee or the LRT Trustee receives a termination notice in writing from the Administrative Agent, in each case at least 20 business days prior to the last business day of a month, in which case the Administration Agreement will terminate on the last day of that month. Notwithstanding the foregoing, the Administrative Agent will not be permitted to resign until a replacement administrative agent has been appointed and has entered into an administration agreement whereby the replacement administrative agent will assume, in all material respects, the obligations of the Administrative Agent under the Administration Agreement.

Redemption

Mandatory Redemption on Redemption of Bank Notes

In the event that the Bank elects to complete, and has obtained all necessary regulatory approvals relating to a redemption of any number of Bank Notes, the Company shall provide not less than 10 nor more than 60 days’ prior written notice to the holders of the Notes, and subject to compliance with applicable law, shall automatically, and immediately following the redemption by the Bank of any Bank Notes, redeem the same number of Notes as the number of Bank Notes that have been redeemed by the Bank. In the event that the Company is to redeem less than all of the Notes under such circumstances, the Notes will be redeemed on a *pro rata* basis or in such other manner as the Indenture Trustee shall deem equitable and, where applicable, in accordance with the procedures of CDS. For certainty, to the extent that the Company has immediately prior to or concurrently with such redemption by the Bank of Bank Notes redeemed or purchased for cancellation a corresponding number of Notes in accordance with the terms of the Trust Indenture, such requirement to redeem a corresponding number of Notes shall be deemed satisfied.

Redemption at the Option of the Company

The Company may, at its option, without the consent of the holders of the Notes, redeem the Notes in cash, in whole or in part from time to time, on not less than 10 nor more than 60 days’ prior notice to the registered holders of the Notes, every five years during the period from September 30 to and including October 31, commencing in 2029, at a redemption price which is equal to the aggregate of (i) the principal amount of the Notes to be redeemed, and (ii) any accrued and unpaid interest on such Notes up to, but excluding, the date of redemption (the “Redemption Price”), provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Bank Notes.

In cases of partial redemption, the Notes to be redeemed will be selected by the Indenture Trustee on a *pro rata* basis or in such other manner as it shall deem equitable and, where applicable, in accordance with the procedures of CDS.

Redemption for Tax Reasons

The Company may, at its option and without the consent of the holders of the Notes, redeem the Notes, in whole but not in part, at any time on or following a tax event date and on not less than 10 nor more than 60 days' prior written notice, provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Bank Notes. Any such redemption may not occur before the relevant tax event date, but may occur on or after such tax event date, as the case may be.

A "tax event date" means the date on which the Company has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Company) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "Administrative Action"); or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that (A) the Company or the Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Company of interest on the Notes) or the treatment of the Notes or the Series 5 Shares (including dividends thereon) or other assets of the Limited Recourse Trust or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Limited Recourse Trust is, or will be, subject to more than a *de minimis* amount of taxes, duties or other governmental charges or civil liabilities.

If the Company redeems the Notes because of the occurrence of a tax event date, the Company will do so at the Redemption Price.

Automatic Redemption on Redemption of Series 5 Shares

Upon redemption by the Company of the Series 5 Shares held in the Limited Recourse Trust in accordance with the terms of such shares on any date other than the maturity date of the Notes, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Series 5 Shares redeemed by the Company shall automatically and immediately be redeemed, on a full and permanent basis, without any action on the part of, or the consent of, the holders of such Notes, for a cash amount equal to the Redemption Price. Notice of redemption shall be given to the registered holders of the Notes not less than 10 nor more than 60 days prior to the date of redemption. The Limited Recourse Trust shall distribute the proceeds from the redemption of the Series 5 Shares held by the LRT Trustee to the holders of the Notes in partial satisfaction of such Redemption Price and the Company shall be required to fund the balance in an amount equal to the accrued and unpaid interest. For certainty, to the extent that, in accordance with the terms of the Trust Indenture, the Company has immediately prior to or concurrently with such redemption of Series 5 Shares redeemed or purchased for cancellation outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Series 5 Shares being redeemed, such requirement to redeem a corresponding number of

Notes shall be deemed satisfied. See “*Description of the Series 5 Shares – Redemption*” below for a description of the circumstances under which the Series 5 Shares may be redeemed by the Company.

As a result of the redemption provisions applicable to the Series 5 Shares and the Notes, the LRT Trustee will, at all times prior to a Recourse Event, hold one Series 5 Share for each \$1,000 principal amount of Notes outstanding.

Any Notes redeemed by the Company shall be cancelled and may not be reissued.

Open Market Purchases

The Trust Indenture will provide that the Company may purchase Notes, upon such terms and at such prices as the Company may determine, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise in accordance with applicable securities laws and regulations, provided that such acquisition does not otherwise violate the terms of the Trust Indenture and further provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a purchase of the same number of Bank Notes. In the event that the Bank elects to complete, and has obtained all necessary regulatory approvals relating to, the purchase by the Bank for cancellation of any number of Bank Notes in accordance with the terms thereof, the Company, upon receipt of written notice of the Bank’s intention to purchase such Bank Notes for cancellation shall, without any action on the part of, or the consent of, the holders of the Notes, (i) purchase for cancellation the same number of Notes as the number of Bank Notes that are then proposed to be purchased by the Bank, and (ii) immediately thereafter, tender to the Bank for cancellation the same number of Bank Notes as the Notes tendered to and purchased for cancellation by the Company. All Notes that are purchased by the Company will be cancelled and will not be reissued.

No Restriction on Other Indebtedness

The Company may create, issue or incur any other Indebtedness which, in the event of the insolvency or winding-up of the Company, would rank in right of payment in priority to, equally with, or subordinate to the Notes.

Consolidation, Amalgamation, Merger or Transfer

Under the Trust Indenture, the Company is generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. The Company is also permitted to convey, transfer or lease substantially all of the Company’s assets to another entity. However, the Company may not take any of these actions unless all the following conditions are met:

- when the Company merges, amalgamates, consolidates or otherwise combines with, or conveys, transfers or leases substantially all of its assets as an entirety to another entity, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the Notes, whether by agreement, operation of law or otherwise;
- the merger, amalgamation, consolidation or other combination, or conveyance, transfer or lease of assets must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the Notes; and
- the Company has delivered an officer’s certificate and a legal opinion to the Indenture Trustee each stating that such transaction complies with the Trust Indenture.

If the conditions described above are satisfied with respect to the Notes, the Company will not need to obtain the approval of the holders of the Notes in order to merge, amalgamate, consolidate or otherwise combine with another entity or to convey, transfer or lease its assets. Also, these conditions will apply only if the Company wishes to merge, amalgamate, consolidate or otherwise combine with another entity or sell substantially all of the Company’s assets to another entity. The Company will not need to satisfy these conditions if the Company enters into other types of transactions, including any transaction in which the Company acquires the stock or assets of another entity, any transaction that involves a change of control but in which the Company does not merge or consolidate and any

transaction in which the Company sells or leases less than substantially all of the Company's assets. It is possible that this type of transaction may result in a reduction in the Company's credit ratings or market perceptions about the Company's credit ratings, may negatively affect the Company's operating results or may impair the Company's financial condition. Holders of the Notes, however, will have no approval right with respect to any transaction of this type.

Modification

There are three categories of changes the Company can make to the Trust Indenture and the Notes.

Changes Requiring Approval of All Holders. First, there are changes that cannot be made to the Trust Indenture or the Notes without the consent of each holder of the Notes. The following is a list of those types of changes:

- a change in the stated maturity date or Interest Payment Dates of the Notes;
- a reduction of the principal amount of, or rate of interest on, the Notes;
- a reduction of the amount payable upon a redemption of the Notes;
- a change in the currency of payment on the Notes;
- a change in the place of payment for the Notes;
- an impairment of a holder's right to sue for payment;
- a reduction of the percentage in principal amount of outstanding Notes, the consent of whose holders is needed to modify or amend the Trust Indenture;
- a reduction of the percentage in principal amount of outstanding Notes, the consent of whose holders is needed to waive compliance with certain provisions of the Trust Indenture or to waive certain defaults thereunder; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the Trust Indenture, except certain changes favourable to the holders.

In addition, a modification of certain provisions of the Limited Recourse Trust Declaration requires the specific approval of each holder of the Notes.

Changes Requiring a Majority Vote. The second category of change to the Trust Indenture or the Notes is the kind that requires the consent of holders of Notes of a majority of the outstanding principal amount of the Notes.

Most changes not requiring the approval of all holders fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect the holders of the Notes. The Company may not modify the subordination provisions of the Trust Indenture in a manner that would adversely affect in any material respect the holders of the Notes without the consent of the holders of a majority of the outstanding principal amount of the Notes.

Changes Not Requiring Approval. The third category of change to the Trust Indenture or the Notes does not require the consent of holders of Notes. This category is limited to clarifications and certain other changes that would not adversely affect in any material respect the interests of the holders of the Notes.

DESCRIPTION OF THE SERIES 5 SHARES

Prior to the closing of the offering of the Notes, the Series 5 Shares will be issued as a series of preferred shares of the Company (the “Preferred Shares”) to the LRT Trustee to be held in accordance with the terms of the Limited Recourse Trust Declaration.

The Preferred Shares carry no votes in respect of matters to be voted upon at the meeting except where otherwise required by law. The particular terms and provisions of the Series 5 Shares are summarized below. Under the Company’s articles of amalgamation, the board of directors of the Company is authorized, subject to Canadian law, without shareholder approval, from time to time to issue an unlimited number of Preferred Shares in one or more series. The board of directors of the Company can fix the rights, privileges, restrictions and conditions of the shares of each series. Preferred Shares are entitled to priority over Common Shares as to dividends and distributions of assets upon the Company’s liquidation, dissolution or winding-up. The board of directors of the Company will fix the terms of the Series 5 Shares as summarized herein by resolution and will file articles of amendment as required under Canadian law before it issues the Series 5 Shares.

Defined Terms

The following definitions are relevant to the Series 5 Shares:

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period (as defined below), the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus ●%.

“Fixed Period End Date” means October 31, 2029 and each October 31 every fifth year thereafter.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the business day prior to the first day of such Subsequent Fixed Rate Period.

“Government of Canada Yield” means, as at any Fixed Rate Calculation Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Canadian Investment Regulatory Organization or any successor to or of the Canadian Investment Regulatory Organization) selected by the Company, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“Initial Annual Fixed Dividend Rate” means, for the Initial Fixed Rate Period, the rate equal to the interest rate per annum on the Notes in effect as of the date of issue of the Notes.

“Initial Fixed Rate Period” means the period from and including the date of issue of the Series 5 Shares to, but excluding, October 31, 2029.

“Initial Reset Date” means October 31, 2029.

“Subsequent Fixed Rate Period” means the period from and including the Initial Reset Date to, but excluding, the next Fixed Period End Date and each five-year period thereafter from and including such Fixed Period End Date to, but excluding, the next Fixed Period End Date.

Issue Price

The issue price per Series 5 Share is \$1,000.

Dividends

During the Initial Fixed Rate Period, unless waived by the holders of the Series 5 Shares, the holders of the Series 5 Shares will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Initial Annual Fixed Dividend Rate by \$1,000; provided that, whenever it is necessary to compute any dividend amount in respect of the Series 5 Shares for a period of less than one full semi-annual dividend period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.

During each Subsequent Fixed Rate Period, unless waived by the holders of the Series 5 Shares, the holders of the Series 5 Shares will be entitled to receive fixed rate non-cumulative preferential cash dividends, as and when declared by the board of directors, payable semi-annually on April 30 and October 31 in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$1,000.

The Company will determine the Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Company and all holders of Series 5 Shares. The Company will, on the relevant Fixed Rate Calculation Date, give notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of Series 5 Shares.

If the board of directors does not declare a dividend, or any part thereof, on the Series 5 Shares on or before the dividend payment date therefor, then the rights of the holders of the Series 5 Shares to such dividend, or to any undeclared part thereof, will be extinguished. The Company may also be restricted under the OBCA from paying dividends on the Series 5 Shares in certain circumstances.

The LRT Trustee, as trustee of the Limited Recourse Trust, will, by written notice, provide to the Company a waiver of its right to receive any and all dividends on the Series 5 Shares during the period from and including the date of waiver to and including the date upon which the LRT Trustee, as trustee of the Limited Recourse Trust, provides, by written notice, a revocation of such waiver to the Company (the “Dividend Waiver”). Accordingly, no dividends are expected to be declared or paid on the Series 5 Shares while the Series 5 Shares are held by the LRT Trustee. The Dividend Waiver is applicable to the LRT Trustee and will not bind a subsequent holder of the Series 5 Shares. The Company will provide a covenant to the LRT Trustee that, at any time while the Series 5 Shares are held by the LRT Trustee and the Dividend Waiver is no longer in effect, if it does not declare and pay dividends in full on the Series 5 Shares, it will not declare or pay cash dividends on any of its other outstanding series of Preferred Shares.

Redemption

Except as noted below, the Series 5 Shares will not be redeemable prior to September 30, 2029. Subject to the provisions of the OBCA and the provisions described below under “Restriction on Dividends and Retirement of Shares”, during the period from September 30, 2029 to and including October 31, 2029 and during the period from September 30 to and including October 31 every fifth year thereafter, the Company may redeem all, or from time to time, any part of the outstanding Series 5 Shares, provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Non-Cumulative 5-Year Fixed Rate Reset Preferred Shares, Series 5 (Non-Viability Contingent Capital (NVCC)) of the Bank (the “Bank Series 5 Shares”). The redemption price per share will be equal to \$1,000, plus any declared and unpaid dividends (of which

none are expected for so long as the Series 5 Share are held by the LRT Trustee) up to, but excluding, the date fixed for redemption.

Upon the occurrence of a tax event date (which may necessarily only occur prior to the occurrence of a Recourse Event) but subject to the provisions of the OBCA and the provisions described below under “Restriction on Dividends and Retirement of Shares”, the Company may also, at its option, redeem the Series 5 Shares, in whole but not in part, at any time on or following a tax event date in respect of the Notes, at a redemption price per Series 5 Share which is equal to \$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Series 5 Shares are held by the LRT Trustee) to, but excluding, the date fixed for redemption, provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of the same number of Bank Series 5 Shares.

If at any time the Company redeems Notes in accordance with their terms or purchases Notes, in whole or in part, by tender offer, open market purchases, negotiated transactions or otherwise, for cancellation, then the Company shall redeem, subject to the provisions of the OBCA and the provisions described below under “Restriction on Dividends and Retirement of Shares”, such number of Series 5 Shares with an aggregate face amount equal to the aggregate principal amount of Notes redeemed or purchased for cancellation by the Company, by the payment of an amount in cash for each share redeemed of \$1,000 plus any declared and unpaid dividends (of which none are expected for so long as the Series 5 Shares are held by the LRT Trustee) up to, but excluding the date fixed for redemption.

In the event that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a redemption of any number of the Bank Series 5 Shares, then the Company shall provide written notice to the holders of the Series 5 Shares, and subject to compliance with applicable law, shall redeem immediately after a redemption by the Bank of any Bank Series 5 Shares, the same number of Series 5 Shares as the number of Bank Series 5 Shares that have been redeemed by the Bank. In the event of any such redemption, outstanding Notes will be automatically redeemed by the Company in accordance with their terms. For greater certainty, upon the occurrence of a Contingent Conversion of the Bank Series 5 Shares, there is no obligation of the Company to redeem any Series 5 Shares.

Concurrently with or upon the maturity of the Notes, the Company shall redeem all of the outstanding Series 5 Shares by the payment of an amount in cash for each share redeemed of \$1,000, plus any declared and unpaid dividends (of which none are expected for so long as the Series 5 Shares are held by the LRT Trustee) up to, but excluding, the date fixed for redemption, and apply, or cause the LRT Trustee to apply, the proceeds of such redemption towards the repayment of the aggregate principal amount of and any accrued and unpaid interest on the Notes.

Notice of any redemption will be given by the Company to registered holders not more than 60 days and not less than 10 days prior to the redemption date.

As a result of the redemption provisions applicable to the Series 5 Shares and the Notes, the LRT Trustee will, at all times prior to a Recourse Event, hold one Series 5 Share for each \$1,000 principal amount of Notes outstanding.

Where a part only of the then outstanding Series 5 Shares is at any time to be redeemed, the Series 5 Shares will be redeemed *pro rata* disregarding fractions, or in such other manner as the board of directors of the Company determines.

Purchase for Cancellation

Subject to the limitations in “*Restriction on Dividends and Retirement of Shares*” below and the provisions of applicable securities laws, the Company may at any time purchase for cancellation any of the Series 5 Shares in the open market at the lowest price or prices at which in the opinion of the board of directors of the Company such shares are obtainable, provided that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to a purchase of the same number of Bank Series 5 Shares.

In the event that the Bank elects to complete and has obtained receipt of all necessary regulatory approvals relating to the purchase for cancellation of any number of Bank Series 5 Shares, then the Company, subject to the limitations in “*Restriction on Dividends and Retirement of Shares*” below, in compliance with applicable law and upon receipt of the notice of the Bank’s intention to purchase such shares for cancellation, shall (i) purchase for cancellation the same number of Series 5 Shares as the number of Bank Series 5 Shares that are then proposed to be purchased by the Bank, and (ii) immediately thereafter tender to the Bank for cancellation the same number of Bank Series 5 Shares as Series 5 Shares tendered to and purchased for cancellation by the Company.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Company, the holders of Series 5 Shares will be entitled to receive a sum per share equal to \$1,000, together with the amount of declared and unpaid dividends (of which none are expected for so long as the Series 5 Shares are held by the LRT Trustee) to the date of payment, before any amount shall be paid or any assets of the Company distributed to the holders of Common Shares or other shares ranking junior to the Series 5 Shares. After payment of those amounts, the holders of the Series 5 Shares will not be entitled to share in any further distribution of the property or assets of the Company.

The Series 5 Shares will rank on parity with all other series of Preferred Shares of the Company and in priority to any shares ranking junior to the Series 5 Shares with respect to the payment of dividends and on the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company.

Restriction on Dividends and Retirement of Shares

For so long as any of the Series 5 Shares are outstanding, the Company will not, without the approval of the holders of the Series 5 Shares by extraordinary resolution (being 66 ⅔% of the holders of the Series 5 Shares voting on a matter):

- pay any dividends (other than stock dividends payable in shares of the Company ranking as to capital and dividends junior to the Series 5 Shares) on shares of the Company ranking as to dividends junior to the Series 5 Shares; or
- except out of the net cash proceeds of a substantially concurrent issue of shares of the Company ranking as to return of capital and dividends junior to the Series 5 Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Company ranking as to capital junior to the Series 5 Shares; or
- redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 5 Shares then outstanding; or
- except pursuant to any purchase obligation, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Shares of the Company, ranking as to the payment of dividends or return of capital on a parity with the Series 5 Shares;

unless in each case, all dividends on the Series 5 Shares then issued and outstanding, up to and including those payable on the dividend payment date for the last completed period for which dividends will be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued up to and including the most recent applicable dividend payment date on all other shares ranking prior to or *pari passu* with the Series 5 Shares, have been declared and paid or set apart for payment.

Amendments to Series 5 Shares

The provisions attaching to the Series 5 Shares may not be deleted or varied without approval by at least two-thirds of the votes cast at a meeting of the holders of the Series 5 Shares duly called for the purpose.

Voting Rights

Subject to applicable law and the Company's by-laws and the voting rights set out under "Additional Voting Rights" below, the holders of the Series 5 Shares will not be entitled to receive notice of or to attend or to vote at any meeting of the shareholders of the Company, (i) except in the event of a proposed change in the business of the Company or the Bank (which, for greater certainty, will not include a Contingent Conversion of the Bank Series 5 Shares), including any action such as the issuance of debt or preferred shares, that, in the reasonable opinion of the independent members of the board of directors of the Company (which, for greater certainty, is defined as those directors other than members of Company management) will result in the Company not being able to pay the applicable dividend on any outstanding Series 5 Shares (a "Fundamental Change"); or (ii) unless and until the first time at which the board of directors of the Company has not declared or paid the whole dividend in any period on the Series 5 Shares at the applicable dividend rate.

In the event of (i) above, the holders of the Series 5 Shares will be entitled to receive notice of, and to attend a meeting of shareholders of the Company entitled to vote on the matter to consider the Fundamental Change and will be entitled to one vote for each Series 5 Share held. The Company or the Bank, as applicable, will not proceed with the Fundamental Change unless a majority of the Company's shareholders (other than the holders of the Series 5 Shares) voting on the matter and a majority of the holders of the Series 5 Shares voting on the matter have approved the Fundamental Change.

In the event of (ii) above, the holders of the Series 5 Shares will be entitled to receive notice of, and to attend, meetings of shareholders of the Company at which directors are to be elected and will be entitled to one vote for each Series 5 Share held in the election of directors, voting together with all other shareholders of the Company entitled to vote on such matter.

The voting rights of holders of Series 5 Shares under (ii) above shall forthwith cease upon payment by the Company of the first dividend on the Series 5 Shares to which the holders are entitled subsequent to the time such voting rights first arose, until such time as the Company may again fail to declare or pay the applicable dividend in which event the voting rights set out in (ii) above will become effective again. See "*Dividends*" above.

For certainty, the LRT Trustee, as holder of the Series 5 Shares, will not be entitled to the voting rights described in (ii) above at any time while the Dividend Waiver has been delivered to the Company and not revoked. If the Dividend Waiver has been revoked and the LRT Trustee becomes entitled to such voting rights, and at any time in respect of the voting rights described in (i) above, the LRT Trustee will exercise any such voting rights in respect of the Series 5 Shares held by the LRT Trustee only as directed by the Company, and the Company will provide instructions as to the voting of Series 5 Shares only upon receiving directions from the holders of Notes.

Additional Voting Rights

Subject to applicable law, if the Bank Series 5 Shares are delivered to the Company from the newly formed trust in which they are held (the "Bank Limited Recourse Trust") on a recourse event applicable to the Bank Notes, the Company shall not vote such Bank Series 5 Shares to approve any change to the share capital of the Bank set forth below (the "Additional Voting Rights"), without the prior consent of the holders of the Series 5 Shares by extraordinary resolution (being 66 $\frac{2}{3}$ % of the holders of the Series 5 Shares voting on a matter):

- (i) any change that is captured by Section 218 of the Bank Act, except as otherwise modified by the Bank's by-law No. 2 relating to the issuance of shares in the capital of the Bank, dated July 1, 2013, as amended on November 13, 2014 and as may be further amended from time to time and amended to accommodate the Additional Voting Rights, provided that for this purpose any reference to a class of shares in Section 218 of the Bank Act shall mean any class or series of shares;
- (ii) any change to effect an exchange, reclassification or cancellation of all or part of the Bank Series 5 Shares, other than in accordance with their terms; or
- (iii) any change to create a new class of shares ranking superior to the Bank Series 5 Shares.

See also “*Description of the Bank Series 5 Shares – Additional Voting Rights*”.

While the Bank Series 5 Shares are held in the Bank Limited Recourse Trust, the third party trustee of the Bank Limited Recourse Trust (the “Bank LRT Trustee”) shall not vote such Bank Series 5 Shares on any matter at any time that it is entitled to vote without the prior consent of the holders of the Series 5 Shares as noted above and if such Series 5 Shares are held in the Limited Recourse Trust, the LRT Trustee will exercise any voting rights in respect of the Series 5 Shares held by the LRT Trustee only as directed by the Company, and the Company will provide instructions as to the voting of Series 5 Shares only upon receiving directions from the holders of Notes.

Additional Conditions

As long as any Series 5 Shares are outstanding, either the Company or the Bank LRT Trustee shall continue to own all of the issued and outstanding common shares and preferred shares of the Bank held by the Company or the Bank LRT Trustee, as applicable, as of the date of issue of the Series 5 Shares distributed pursuant to this prospectus supplement, subject to any redemption, cancellation or exchange of the preferred shares of the Bank in accordance with their terms (collectively, the “Bank Shares”) and, shall not transfer any such Bank Shares (other than a transfer of the Bank Series 5 Shares from the Bank LRT Trustee to the Company) without the prior consent of 66 ²/₃% of the holders of the Series 5 Shares voting on such matter.

In the event the Bank declares and pays a dividend in respect of the Bank Series 5 Shares, the Company will forthwith declare and pay a dividend on the Series 5 Shares at the Initial Annual Fixed Dividend Rate or the applicable Annual Fixed Dividend Rate, as applicable, unless there is a Dividend Waiver in place in respect of the Series 5 Shares. However, for greater certainty, the failure of the Bank to declare and pay a dividend on the Bank Series 5 Shares does not alter the dividend entitlements of the Series 5 Shares. The Company shall use its best efforts, subject to compliance with applicable law and subject to there being a Dividend Waiver in place in respect of the Series 5 Shares, to declare and pay dividends on the Series 5 Shares, including without limitation, in the event the Bank does not pay a dividend on the Bank Series 5 Shares.

The Company shall covenant to vote all its Bank Series 5 Shares on any particular matter in accordance with the results of any vote of the holders of the Series 5 Shares on the matter; provided that for so long as the Series 5 Shares are held in the Limited Recourse Trust, the LRT Trustee will exercise such voting rights only as directed by the Company, and the Company will provide instructions as to the voting of Series 5 Shares only upon receiving directions from the holders of Notes.

Tax Election

The Series 5 Shares will be “taxable preferred shares” as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of such shares. The terms of the Series 5 Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 5 Shares. See “Canadian Federal Income Tax Considerations”.

Non-Business Days

In the event that any dividend is payable or any other action or payment is required to be taken or paid in respect of the Series 5 Shares on a day that is not a business day, then such dividend shall be payable or such other action or payment shall be taken or made on the immediately following business day.

DESCRIPTION OF THE BANK NOTES

The Bank Notes

The following summarizes certain provisions of the Bank Notes and the Bank Trust Indenture (as defined below), but does not describe every aspect of the Bank Notes or the Bank Trust Indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Bank Notes and the Bank Trust Indenture, including

the definitions of certain terms that are not defined in this prospectus supplement. In this summary, only some of the more important terms are described.

General

The Bank Notes will be issued as subordinated debt securities under an indenture to be dated as of the closing date of the offering hereunder (the “Bank Trust Indenture”) between the Bank and Computershare Trust Company of Canada, as trustee (the “Bank Indenture Trustee”). The Bank Trust Indenture will be subject to the provisions of the Bank Act and governed by the laws of Ontario and the federal laws of Canada applicable therein. Subject to regulatory capital requirements applicable to the Bank, there is no limit on the amount of limited recourse capital notes or other subordinated indebtedness the Bank may issue.

The Bank Notes will be direct unsecured debt obligations of the Bank constituting subordinated indebtedness for the purpose of the Bank Act which, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), will rank: (a) subordinate in right of payment to the prior payment in full of all Bank Higher Ranked Indebtedness (as defined below), including certain Bank Subordinated Indebtedness (as defined below) and (b) in right of payment equally with and not prior to Bank Junior Subordinated Indebtedness (as defined below) (other than Bank Junior Subordinated Indebtedness which by its terms ranks subordinate to the Bank Notes) and will be subordinate in right of payment to the claims of the Bank’s depositors and other unsubordinated creditors, provided that in any such case, in case of the Bank’s non-payment of the principal amount of, interest on, or Bank Redemption Price (as defined below) for, the Bank Notes when due, the sole remedy of the holders of the Bank Notes shall be the delivery to the holders of their proportionate share of the Bank Corresponding Trust Assets (as defined below).

Upon the occurrence of a Bank Recourse Event, the recourse of each holder of the Bank Notes will be limited to the holder’s proportionate share of the Bank Corresponding Trust Assets, and the receipt by each holder of the Bank Notes of its proportionate share of the Bank Corresponding Trust Assets upon the occurrence of a Bank Recourse Event shall exhaust the remedies of such holder under the Bank Notes. If a holder of the Bank Notes does not receive its proportionate share of the Bank Corresponding Trust Assets under such circumstances, the sole remedy of the holder of the Bank Notes for any claims against the Bank shall be limited to a claim for the delivery of such Bank Corresponding Trust Assets. If the Bank Corresponding Trust Assets that are delivered to holders of the Bank Notes under such circumstances comprise Bank Series 5 Shares, such Bank Series 5 Shares will rank on parity with the Bank’s other preferred shares. Upon delivery to the holders of Bank Notes of their proportionate share of the Bank Corresponding Trust Assets, all Bank Notes will cease to be outstanding.

The Bank Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance regime designed to ensure the payment of all or a portion of a deposit upon the insolvency of a deposit taking institution.

The Bank Notes are not entitled to the benefits of any sinking fund.

The Bank Notes will only be sold to the Company, the parent holding company of the Bank, on a private placement basis in accordance with the *Securities Act* (Ontario).

Principal, Interest and Maturity

The Bank Notes will be issued in an aggregate principal amount of \$● and will be repayable at 100% of the principal amount at maturity on October 31, 2084. On maturity, the Bank will repay to holders of the Bank Notes the principal amount, plus accrued and unpaid interest to, but excluding, the maturity date of the Bank Notes.

The Bank will pay interest on the Bank Notes in equal (subject to the reset of the interest rate and the short first coupon) semi-annual instalments in arrears on April 30 and October 31 of each year (each, a “Bank Interest Payment Date”), with the first payment on October 31, 2024. From the date of issue to, but excluding, October 31, 2029, the Bank Notes will bear interest at the rate of ●% per annum. Starting on October 31, 2029 and on every fifth anniversary of such date thereafter until October 31, 2079 (each such date a “Bank Interest Reset Date”), the interest rate on the Bank Notes will be reset at an interest rate per annum equal to the Bank Government of Canada Yield (as

defined below) on the business day prior to such Bank Interest Reset Date (each, a “Bank Interest Rate Calculation Date”) plus $\bullet\%$. Assuming the Bank Notes are issued on July $\bullet$, 2024, the first interest payment on the Bank Notes on October 31, 2024 will be in an amount of \$ $\bullet$ per \$1,000 principal amount of Bank Notes. The principal of, and interest on, the Bank Notes will be paid in Canadian dollars.

Each payment of interest on the Bank Notes will include interest accrued to, but excluding, the applicable Bank Interest Payment Date or the date of maturity (or earlier purchase or redemption, if applicable). Any payment of principal or interest required to be made on a day which is not a business day will be made on the next succeeding business day (without any additional interest or other payment in respect of the delay).

The “Bank Government of Canada Yield” means, as at any Bank Interest Rate Calculation Date for a Bank Interest Reset Date, the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Bank Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the period from such Bank Interest Reset Date to, but excluding, the next Bank Interest Reset Date, as determined by two independent Canadian investment dealers (each of which is a member of the Canadian Investment Regulatory Organization or any successor to or of the Canadian Investment Regulatory Organization) selected by the Bank, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market on the relevant date (or, if not available on the relevant date, on the most recent date for which such bids are available) for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span the period from such Bank Interest Reset Date to, but excluding, the next Bank Interest Reset Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

Form, Denomination and Transfer

The Bank Notes will be issued only in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

The Bank Notes will be issued in certificated form registered in the name of the Company and will be subject to the provisions of the Bank Trust Indenture. Any transfer of the Bank Notes can only be made with prior consent of the Bank and prior written approval of the Superintendent.

Subordination

The Bank Trust Indenture provides that, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), the Bank Notes will rank: (a) subordinate in right of payment to the prior payment in full of all Bank Higher Ranked Indebtedness (including certain Bank Subordinated Indebtedness) and (b) in right of payment equally with and not prior to Bank Junior Subordinated Indebtedness (other than Bank Junior Subordinated Indebtedness which by its terms ranks subordinate to the Bank Notes) and will be subordinate in right of payment to the claims of the Bank’s depositors and other unsubordinated creditors, in each case from time to time outstanding, provided that in any such case, in case of the Bank’s non-payment of the principal amount of, interest on, or Bank Redemption Price for, the Bank Notes when due, the sole remedy of the holders of the Bank Notes shall be the delivery to the holders of their proportionate share of the Bank Corresponding Trust Assets. Upon the occurrence of a Bank Recourse Event, including a Trigger Event or an event of default, the recourse of each holder of the Bank Notes will be limited to such holder’s proportionate share of the Bank Corresponding Trust Assets, and all claims of the holders of Bank Notes against the Bank under the Bank Notes will be extinguished upon receipt of the Bank Corresponding Trust Assets. If a holder of the Bank Notes does not receive its proportionate share of the Bank Corresponding Trust Assets under such circumstances, the sole remedy of the holder of the Bank Notes for any claims against the Bank shall be limited to a claim for the delivery of such Bank Corresponding Trust Assets. If the Bank Corresponding Trust Assets that are delivered to holders of the Bank Notes under such circumstances comprise Bank Series 5 Shares or Bank Common Shares, such Bank Series 5 Shares or Bank Common Shares will rank on parity with the Bank’s other preferred shares or common shares, as applicable. For the avoidance of doubt, as a result of the limited recourse feature

described in this prospectus supplement, the ranking of the Bank Notes will not be relevant during insolvency proceedings or wind-up of the Bank, since once the Bank Corresponding Trust Assets shall have been delivered to the holders of Bank Notes, such delivery will have exhausted all remedies of such holders against the Bank, and the Bank Notes shall have ceased to be outstanding.

For these purposes,

- “Bank Higher Ranked Indebtedness” at any time means all Bank Indebtedness (defined below) then outstanding, including all Bank Subordinated Indebtedness then outstanding, other than Bank Junior Subordinated Indebtedness.
- “Bank Indebtedness” at any time means all deposit liabilities of the Bank at such time and all other liabilities and obligations of the Bank which in accordance with the accounting rules established for Canadian chartered banks issued under the authority of the Superintendent (as defined below) pursuant to the Bank Act or with International Financial Reporting Standards as issued by the International Accounting Standards Board, as the case may be, would be included in determining the total liabilities of the Bank at such time, other than liabilities for paid-up capital, contributed surplus, retained earnings and general reserves of the Bank.
- “Bank Junior Subordinated Indebtedness” means Bank Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Bank Notes.
- “Bank Subordinated Indebtedness” at any time means the Bank’s subordinated indebtedness within the meaning of the Bank Act.

Events of Default

The Bank Trust Indenture provides that an event of default in respect of the Bank Notes will occur if the Bank shall become insolvent or bankrupt or subject to the provisions of the *Winding-up and Restructuring Act* (Canada), or any statute hereinafter enacted in substitution therefor, as such statute, or substituted statute, may be amended from time to time, or if the Bank goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, passes a resolution for the winding-up, liquidation or dissolution of the Bank or otherwise acknowledges its insolvency. An event of default under the Bank Notes will not include any non-payment by the Bank of the principal amount of or interest on the Bank Notes or, the non-performance by the Bank of any other covenant of the Bank in the Bank Trust Indenture, or the occurrence of a Trigger Event.

An event of default in respect of the Bank Notes is a Bank Recourse Event. On the occurrence of a Bank Recourse Event, the recourse of each holder of Bank Notes will be limited to such holder’s proportionate share of the Bank Corresponding Trust Assets. The delivery of the Bank Corresponding Trust Assets to the holders of the Bank Notes will exhaust all remedies of such holders in connection with such event of default, and all claims of holders of Bank Notes against the Bank under the Bank Notes will be extinguished upon receipt of the Bank Corresponding Trust Assets. See “– *Limited Recourse*” below.

A resolution or order for winding-up the Bank, with a view to its reorganization or its consolidation, amalgamation or merger with another entity or the transfer of its assets as an entirety to another entity in compliance with the Bank Trust Indenture, does not entitle a holder of Bank Notes to demand payment of principal prior to maturity.

Limited Recourse

In the event of non-payment by the Bank of the principal amount of, interest on, or Bank Redemption Price for, the Bank Notes when due, while a holder of Bank Notes will have a claim against the Bank for the principal amount of the Bank Notes and any accrued and unpaid interest (which will then be due and payable), the recourse of each holder of the Bank Notes will be limited to the assets held by the Bank LRT Trustee of the Bank Limited Recourse Trust from time to time (“Bank Corresponding Trust Assets”) in respect of the Bank Notes. The Bank LRT Trustee

will hold legal title to the Bank Corresponding Trust Assets for the benefit of the Bank to satisfy the recourse of the holders of Bank Notes in respect of the Bank's obligations under the Bank Trust Indenture. The Bank Corresponding Trust Assets in respect of the Bank Notes may consist of (i) Bank Series 5 Shares (or proceeds with respect to the subscription for voting trust units of the Bank Limited Recourse Trust by the Bank, which proceeds are required to be used by the Bank LRT Trustee to subscribe for Bank Series 5 Shares), (ii) Bank Common Shares issued upon a Contingent Conversion (other than Dividend Common Shares (as defined below), if any), (iii) cash if the Bank Series 5 Shares are redeemed, or purchased by the Bank for cancellation, for cash by the Bank (other than any portion of such cash in respect of declared and unpaid dividends) with the prior written approval of the Superintendent, or (iv) a combination thereof, depending on the circumstances. On the closing of the issuance of the Bank Notes, the Bank Corresponding Trust Assets in respect of the Bank Notes shall consist of ● Bank Series 5 Shares. At no time shall the Bank Corresponding Trust Assets include any dividends paid on the Bank Series 5 Shares or any right to receive declared, but unpaid, dividends on the Bank Series 5 Shares or any Dividend Common Shares.

The Bank Limited Recourse Trust is a trust established under the laws of Manitoba, to be governed by an amended and restated declaration of trust dated on or around but no later than the closing date of the offering of the Notes (as may be further amended or restated from time to time, the "Bank Limited Recourse Trust Declaration"). The Bank Limited Recourse Trust's objective is to acquire and hold the Bank Corresponding Trust Assets in accordance with the terms of the Bank Limited Recourse Trust Declaration. The Bank LRT Trustee may hold trust assets in respect of more than one series of limited recourse capital notes issued by the Bank, in which case the Bank LRT Trustee will hold the trust assets for each such series of notes separate from the trust assets for any other series of such notes and shall deliver such trust assets only in respect of the relevant series of notes.

If a Bank Recourse Event occurs, the Bank will, no later than one business day after the occurrence of such Bank Recourse Event, notify the Bank LRT Trustee and the Bank Indenture Trustee of the occurrence of such Bank Recourse Event. "Bank Recourse Event" means any of the following: (i) there is non-payment by the Bank of the principal amount of the Bank Notes, together with any accrued and unpaid interest, in cash on the maturity date of the Bank Notes; (ii) a Bank Failed Coupon Payment Date occurs; (iii) the Bank does not pay on the applicable redemption date the Bank Redemption Price in connection with the redemption of the Bank Notes in cash, (iv) an event of default under the Bank Notes occurs; (v) a Trigger Event occurs with respect to the Bank Notes; or (vi) a Company Note Recourse Event occurs with respect to the Notes. "Bank Failed Coupon Payment Date" means the fifth business day immediately following a Bank Interest Payment Date upon which the Bank does not pay interest on the Bank Notes and has not cured such non-payment by subsequently paying such interest prior to such fifth business day. "Company Note Recourse Event" means the occurrence of, with respect to the Notes, (i) any event corresponding to those described in clauses (i) through (iv) of the definition of "Bank Recourse Event"; or (ii) a Bank Recourse Event (other than a Company Note Recourse Event) with respect to the Bank Notes.

Upon a Bank Recourse Event, the principal amount of, and accrued and unpaid interest on, all of the Bank Notes will become immediately due and payable by the Bank without any declaration or other act on the part of the Bank Indenture Trustee or any holders of the Bank Notes, provided that the sole remedy of the holders of the Bank Notes for such amounts due and payable by the Bank shall be the delivery of the Bank Corresponding Trust Assets (which in the case of a Bank Recourse Event that is a Trigger Event, shall consist of the Bank Common Shares issued in connection with the Trigger Event).

Following delivery of a notice of a Bank Recourse Event by the Bank to the Bank LRT Trustee and the Bank Indenture Trustee, the Bank will take any necessary actions to cause the Bank LRT Trustee to deliver the Bank Corresponding Trust Assets in respect of the Bank Notes to the holders of Bank Notes in accordance with the terms of the Bank Limited Recourse Trust Declaration and the Bank Trust Indenture, provided that notwithstanding any other provision in the Bank Trust Indenture, if the Company sells the Bank Notes to a third party, the Bank reserves the right not to (a) deliver some or all of the Bank Common Shares or Bank Series 5 Shares to any third party person whom the Bank or its transfer agent has reason to believe is an Ineligible Person (as defined below) or any person who, by virtue of that delivery, would become a Significant Shareholder (as defined below), or (b) record in its securities register a transfer or issue of Bank Common Shares or Bank Series 5 Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or an Ineligible Government Holder (as defined below) based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In such circumstances, the Bank or its transfer agent will hold, as agent for such persons, the Bank Common Shares or Bank Series 5 Shares that would have otherwise been delivered or registered to such persons and will attempt to facilitate the sale of such

Bank Common Shares or Bank Series 5 Shares to parties other than the Bank and its affiliates on behalf of such persons through a registered dealer to be retained by the Bank on behalf of such persons. Those sales (if any) may be made at any time and at any price as the Bank (or its transfer agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its transfer agent will be subject to any liability for failure to sell such Bank Common Shares or Bank Series 5 Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Bank or its transfer agent, if any, from the sale of any such Bank Common Shares or Bank Series 5 Shares will be divided among the applicable persons in proportion to the number of Bank Common Shares or Bank Series 5 Shares, as applicable, that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes. For purposes of the foregoing:

- “Ineligible Government Holder” means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Bank’s securities register of a transfer or issue of any share of the Bank to such person would cause the Bank to contravene the Bank Act.
- “Ineligible Person” means (i) any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance by the Bank or delivery by its transfer agent to that person, of Bank Series 5 Shares or, pursuant to a Contingent Conversion, of Bank Common Shares would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction, or (ii) any person to the extent that the issuance by the Bank or delivery by its transfer agent to that person of Bank Series 5 Shares or, pursuant to a Contingent Conversion, of Bank Common Shares would cause the Bank to be in violation of any law to which the Bank is subject.
- “Significant Shareholder” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, a percentage of the total number of outstanding shares of a class of the Bank that is in excess of that permitted by the Bank Act, without the prior approval of the Minister of Finance (Canada) under the Bank Act.

Subject to the foregoing restrictions regarding Ineligible Persons, Significant Shareholders and Ineligible Government Holders, (i) if the Bank Corresponding Trust Assets consist of Bank Series 5 Shares at the time a Bank Recourse Event occurs, the Bank LRT Trustee will deliver to each holder of Bank Notes one Bank Series 5 Share for each \$1,000 principal amount of Bank Notes held, which shall be applied to the payment of the principal amount of the Bank Notes, and such delivery of Bank Series 5 Shares will exhaust all remedies of each holder of Bank Notes against the Bank for repayment of the principal amount of the Bank Notes and any accrued but unpaid interest thereon then due and payable, and (ii) upon the occurrence of a Bank Recourse Event that is a Trigger Event, each holder of Bank Notes will be entitled to such holder’s proportionate share of the Bank Corresponding Trust Assets and the Bank LRT Trustee will deliver to each holder of Bank Notes that holder’s proportionate share of the Bank Common Shares issued in connection with the Trigger Event (other than any Dividend Common Shares), and such delivery of Bank Common Shares will exhaust each holder’s remedies against the Bank for repayment of the principal amount of the Bank Notes and any accrued but unpaid interest thereon then due and payable. The number of Bank Common Shares issuable in connection with the Trigger Event will be calculated based on a Share Value (as defined below) of \$1,000. Notwithstanding the foregoing or anything else in this prospectus supplement, upon a Bank Recourse Event that is a Trigger Event, a holder of Bank Notes shall not be entitled to receive any of the Bank Common Shares issued to the Bank LRT Trustee in respect of the portion of the Share Value equal to any declared and unpaid dividends (such Bank Common Shares, the “Dividend Common Shares”), which Dividend Common Shares shall be retained by the Bank LRT Trustee and not delivered to holders of Bank Notes. Because of the Dividend Waiver (as defined below), the Bank does not expect the Contingent Conversion formula described below to result in the issuance of any Dividend Common Shares in connection with a Bank Recourse Event that is a Trigger Event. See “*Description of the Bank Series 5 Shares – Conversion Upon Occurrence of Non-Viability Contingent Capital Trigger Event*”.

The Bank Limited Recourse Trust will only be dissolved following the earlier to occur of the following events: (a) no Bank Notes (or any other limited recourse capital notes issued by the Bank) are outstanding and held

by a person other than the Bank (whether through (i) a cash redemption by the Bank of all preferred shares held by the Bank Limited Recourse Trust and corresponding cash redemption of all corresponding limited recourse capital notes issued by the Bank, (ii) delivery of all preferred shares held by the Bank Limited Recourse Trust to holders of the corresponding limited recourse capital notes issued by the Bank on maturity or any earlier date on which the principal amount of and interest on the corresponding limited recourse capital notes becomes due and payable, (iii) delivery of Bank Common Shares received by the Bank LRT Trustee for preferred shares on a Contingent Conversion to holders of the corresponding limited recourse capital notes issued by the Bank, or (iv) the purchase for cancellation of all limited recourse capital notes issued by the Bank); and (b) each of the Bank LRT Trustee and the Bank elects to complete in writing to terminate the Bank Limited Recourse Trust and such termination is approved by the holders of the Bank Notes in accordance with the terms of the Bank Trust Indenture and the holders of any other limited recourse capital notes issued by the Bank in accordance with the terms of the indentures under which they are issued.

Any amendment or supplement to the Bank Limited Recourse Trust Declaration for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bank Limited Recourse Trust Declaration requires the prior consent of the holders of the Bank Notes in accordance with the terms of the Bank Trust Indenture and the holders of any other limited recourse capital notes issued by the Bank in accordance with the terms of the indentures under which they are issued.

By acquiring any Bank Note, each holder irrevocably acknowledges and agrees with, and for the benefit of, the Bank and the Bank Indenture Trustee that the delivery of such holder's proportionate share of the Bank Corresponding Trust Assets to such holder shall exhaust all remedies of such holder against the Bank under the Bank Notes, including in connection with any event of default. All claims of a holder of the Bank Notes against the Bank shall be extinguished upon receipt by such holder of such holder's proportionate share of the Bank Corresponding Trust Assets. If the Bank does not deliver, or fails to cause the Bank LRT Trustee to deliver, a holder's proportionate share of the Bank Corresponding Trust Assets to such holder, the sole remedy of such holder for any claims against the Bank shall be recourse to such holder's proportionate share of the Bank Corresponding Trust Assets. The delivery of the Bank Corresponding Trust Assets to the holders of the Bank Notes shall be applied to the payment of the principal amount of the Bank Notes and will extinguish all claims of such holder against the Bank for repayment of the principal amount of the Bank Notes and any accrued and unpaid interest thereon when due and payable. In case of any shortfall resulting from the value of the Bank Corresponding Trust Assets being less than the principal amount of, and any accrued and unpaid interest on, the Bank Notes, all losses arising from such shortfall shall be borne by the holders of the Bank Notes.

The Bank has entered into an agreement with the Bank LRT Trustee (the "Bank Indemnity Agreement") to indemnify the Bank LRT Trustee against certain claims, liabilities, losses and damages suffered by the Bank LRT Trustee in connection with acting as trustee of the Bank Limited Recourse Trust. The Bank LRT Trustee agreed to exercise and exhaust all its remedies against the Bank under the Bank Indemnity Agreement prior to exercising any rights of indemnity under the Bank Limited Recourse Trust Declaration. Provided that the Bank LRT Trustee has so exercised and exhausted its rights under the Bank Indemnity Agreement, the Bank LRT Trustee will be indemnified and saved harmless out of the Bank Corresponding Trust Assets from and against all claims, liabilities, losses, damages, penalties, actions, suits, demands, levies, expenses and disbursements including, without limitation, any and all reasonable legal and adviser fees and disbursements, whether groundless or otherwise, including costs (including legal costs on a solicitor and client basis), charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Bank LRT Trustee and also from and against all other costs (including legal costs on a solicitor and client basis), charges, and expenses which it sustains or incurs in or about or in relation to the affairs of the Bank Limited Recourse Trust, except such as may be incurred as a result of the wilful misconduct, gross negligence, fraud or bad faith of the Bank LRT Trustee.

The Bank LRT Trustee has entered into an agreement (as amended from time to time) (the "Bank Administration Agreement") with the Bank pursuant to which the Bank LRT Trustee has appointed the Bank to provide services on behalf of the Bank LRT Trustee, subject to the direction and control of the Bank LRT Trustee, in relation to the administration of the Bank Limited Recourse Trust. The Bank, in its role as administrative agent under the Bank Administration Agreement (the "Bank Administrative Agent"), will administer on behalf of and for the account of the Bank Limited Recourse Trust the activities of the Bank Limited Recourse Trust in connection with the direct or indirect acquisition, administration and management by the Bank LRT Trustee of the assets of the Bank

Limited Recourse Trust. The Bank Administrative Agent may, from time to time, delegate or sub-contract all or a portion of its obligations under the Bank Administration Agreement to one or more persons. The Bank Administrative Agent will not, in connection with the delegation or sub-contracting of any of such obligations, be discharged or relieved in any respect from its obligations under the Bank Administration Agreement. The Bank Administrative Agent will not receive a fee from the Bank LRT Trustee for performing its obligations under the Bank Administration Agreement.

The Bank Administrative Agent's rights and obligations under the Bank Administration Agreement will terminate if the Bank Administrative Agent receives a termination notice in writing from the Bank LRT Trustee or the Bank LRT Trustee receives a termination notice in writing from the Bank Administrative Agent, in each case at least 20 business days prior to the last business day of a month, in which case the Bank Administration Agreement will terminate on the last day of that month. Notwithstanding the foregoing, the Bank Administrative Agent will not be permitted to resign until a replacement administrative agent has been appointed and has entered into an administration agreement whereby the replacement administrative agent will assume, in all material respects, the obligations of the Bank Administrative Agent under the Bank Administration Agreement.

Redemption

Redemption at the Option of the Bank

The Bank may, at its option, with the prior written approval of the Superintendent and without the consent of the holders of the Bank Notes, redeem the Bank Notes in cash, in whole or in part from time to time, on not less than 10 nor more than 60 days' prior notice to the registered holders of the Bank Notes, every five years during the period from September 30 to and including October 31, commencing in 2029, at a redemption price which is equal to the aggregate of (i) the principal amount of the Bank Notes to be redeemed, and (ii) any accrued and unpaid interest on such Bank Notes up to, but excluding, the date of redemption (the "Bank Redemption Price").

In cases of partial redemption, the Bank Notes to be redeemed will be selected by the Bank Indenture Trustee on a *pro rata* basis or in such other manner as it shall deem equitable and, where applicable, in accordance with the procedures of CDS.

Redemption for Capital or Tax Reasons

The Bank may, at its option, with the prior written approval of the Superintendent and without the consent of the holders of the Bank Notes, redeem the Bank Notes, in whole but not in part, at the Bank Redemption Price at any time on or following a special event date (as defined below) and on not less than 10 nor more than 60 days' prior written notice to the registered holders of the Bank Notes, provided that in the case of a redemption in respect of a Bank tax event date (as defined below), the Company elects to complete, and has obtained all necessary regulatory approvals (if any) related to, a redemption by the Company of the same number of Notes. Any such redemption may not occur before the relevant special event date, but may occur on or after such special event date, as the case may be.

A "Bank tax event date" means the date on which the Bank has received an opinion of independent counsel of a nationally recognized law firm in Canada experienced in such matters (who may be counsel to the Bank) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any Administrative Action; or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Bank Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that (A) the Bank or the Bank Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes,

duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Bank Notes (including the treatment by the Bank of interest on the Bank Notes) or the treatment of the Bank Notes or the Bank Series 5 Shares (including dividends thereon) or other assets of the Bank Limited Recourse Trust or the Bank Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Bank Limited Recourse Trust is, or will be, subject to more than a *de minimis* amount of taxes, duties or other governmental charges or civil liabilities.

A “regulatory event date” means the date specified in a letter from the Superintendent to the Bank on which the Bank Notes will no longer be recognized in full as eligible “Additional Tier 1 Capital” or will no longer be eligible to be included in full as risk-based “Total Capital” on a consolidated basis under the guidelines for capital adequacy requirements for banks as interpreted by the Superintendent.

A “special event date” means a date that is a regulatory event date or a Bank tax event date.

If the Bank redeems the Bank Notes because of the occurrence of a special event date, the Bank will do so at the Bank Redemption Price.

Automatic Redemption on Redemption of Bank Series 5 Shares

Upon redemption by the Bank of the Bank Series 5 Shares held in the Bank Limited Recourse Trust in accordance with the terms of such shares, and with the prior written approval of the Superintendent, outstanding Bank Notes with an aggregate principal amount equal to the aggregate face amount of Bank Series 5 Shares redeemed by the Bank shall automatically and immediately be redeemed, on a full and permanent basis, without any action on the part of, or the consent of, the holders of such Bank Notes, for a cash amount equal to the Bank Redemption Price. The Bank Limited Recourse Trust shall distribute the proceeds from the redemption of the Bank Series 5 Shares held by the Bank LRT Trustee to the holders of the Bank Notes in partial satisfaction of such Bank Redemption Price and the Bank shall be required to fund the balance in an amount equal to the accrued and unpaid interest. For certainty, to the extent that, in accordance with the terms of the Bank Trust Indenture, the Bank has immediately prior to or concurrently with such redemption of Bank Series 5 Shares redeemed or purchased for cancellation outstanding Bank Notes with an aggregate principal amount equal to the aggregate face amount of Bank Series 5 Shares being redeemed, such requirement to redeem a corresponding number of Bank Notes shall be deemed satisfied.

As a result of the redemption provisions applicable to the Bank Series 5 Shares and the Bank Notes, the Bank LRT Trustee will, at all times prior to a Bank Recourse Event, hold one Bank Series 5 Share for each \$1,000 principal amount of Bank Notes outstanding.

Any Bank Notes redeemed by the Bank shall be cancelled and may not be reissued. The Bank will not redeem the Bank Notes under any circumstances if such redemption would, directly or indirectly, result in the Bank’s breach of any provision of the Bank Act or the OSFI Guideline for Capital Adequacy Requirements (CAR), as may be amended from time to time.

Purchases for Cancellation

The Bank Trust Indenture will provide that, with the prior written approval of the Superintendent, the Bank may purchase Bank Notes, in whole or in part, by tender offer, negotiated transactions or otherwise in accordance with applicable securities laws and regulations, provided such acquisition does not otherwise violate the terms of the Bank Trust Indenture, upon such terms and at such prices as the Bank may determine. All Bank Notes that are purchased by the Bank will be cancelled and will not be reissued.

No Restriction on Other Indebtedness

The Company may create, issue or incur any other Bank Indebtedness which, in the event of the insolvency or winding-up of the Bank, would rank in right of payment in priority to, equally with, or subordinate to the Bank Notes.

Consolidation, Amalgamation, Merger or Transfer

Under the Bank Trust Indenture, the Bank is generally permitted to merge, amalgamate, consolidate or otherwise combine with another entity. The Bank is also permitted to convey, transfer or lease substantially all of the Bank's assets to another entity. However, the Bank may not take any of these actions unless all the following conditions are met:

- when the Bank merges, amalgamates, consolidates or otherwise combines with, or conveys, transfers or leases substantially all of its assets as an entirety to another entity, the surviving, resulting or acquiring entity must be a corporation, partnership or trust, must be organized and validly existing and must be legally responsible for the Bank Notes, whether by agreement, operation of law or otherwise;
- the merger, amalgamation, consolidation or other combination, or conveyance, transfer or lease of assets must not cause an event of default, including any event which, after notice or lapse of time or both, would become an event of default, on the Bank Notes; and
- the Bank has delivered an officer's certificate and a legal opinion to the Bank Indenture Trustee each stating that such transaction complies with the Bank Trust Indenture.

If the conditions described above are satisfied with respect to the Bank Notes, the Bank will not need to obtain the approval of the holders of the Bank Notes in order to merge, amalgamate, consolidate or otherwise combine with another entity or to convey, transfer or lease its assets. Also, these conditions will apply only if the Bank wishes to merge, amalgamate, consolidate or otherwise combine with another entity or sell substantially all of the Bank's assets to another entity. The Bank will not need to satisfy these conditions if the Bank enters into other types of transactions, including any transaction in which the Bank acquires the stock or assets of another entity, any transaction that involves a change of control but in which the Bank does not merge or consolidate and any transaction in which the Bank sells or leases less than substantially all of the Bank's assets. It is possible that this type of transaction may result in a reduction in the Company's credit ratings or market perceptions about the Bank's credit ratings, may negatively affect the Bank's operating results or may impair the Bank's financial condition. Holders of the Bank Notes, however, will have no approval right with respect to any transaction of this type.

Modification

There are three categories of changes the Bank can make to the Bank Trust Indenture and the Bank Notes.

Changes Requiring Approval of All Holders. First, there are changes that cannot be made to the Bank Trust Indenture or the Bank Notes without the consent of each holder of the Bank Notes. The following is a list of those types of changes:

- a change in the stated maturity date or Bank Interest Payment Dates of the Bank Notes;
- a reduction of the principal amount of, or rate of interest on, the Bank Notes;
- a reduction of the amount payable upon a redemption of the Bank Notes;
- a change in the currency of payment on the Bank Notes;
- a change in the place of payment for the Bank Notes;
- an impairment of a holder's right to sue for payment;
- a reduction of the percentage in principal amount of outstanding Bank Notes, the consent of whose holders is needed to modify or amend the Bank Trust Indenture;

- a reduction of the percentage in principal amount of outstanding Bank Notes, the consent of whose holders is needed to waive compliance with certain provisions of the Bank Trust Indenture or to waive certain defaults thereunder; or
- a modification of any other aspect of the provisions dealing with modification and waiver of the Bank Trust Indenture, except certain changes favourable to the holders.

In addition, a modification of certain provisions of the Bank Limited Recourse Trust Declaration requires the specific approval of each holder of the Bank Notes.

Changes Requiring a Majority Vote. The second category of change to the Bank Trust Indenture or the Bank Notes is the kind that requires the consent of holders of Bank Notes of a majority of the outstanding principal amount of the Bank Notes.

Most changes not requiring the approval of all holders fall into this category, except for clarifying changes and certain other changes that would not adversely affect in any material respect the holders of the Bank Notes. The Bank may not modify the subordination provisions of the Bank Trust Indenture in a manner that would adversely affect in any material respect the holders of the Bank Notes without the consent of the holders of a majority of the outstanding principal amount of the Bank Notes.

Changes Not Requiring Approval. The third category of change to the Bank Trust Indenture or the Bank Notes does not require the consent of holders of Bank Notes. This category is limited to clarifications and certain other changes that would not adversely affect in any material respect the interests of the holders of the Bank Notes.

In addition to the aforementioned approval categories, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, make any modification to the Bank Trust Indenture or the Bank Notes in a manner that would affect the classification afforded to the Bank Notes from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Guideline for Capital Adequacy Requirements (CAR), as may be amended from time to time.

DESCRIPTION OF THE BANK SERIES 5 SHARES

General

The Bank will create a series of preferred shares, the Bank Series 5 Shares. The Bank Series 5 Shares are non-cumulative 5-year fixed rate reset preferred shares (non-viability contingent capital (NVCC)) to be held by the Bank LRT Trustee on behalf of the Bank.

The terms and conditions of the Bank Series 5 Shares are substantially the same as the terms and conditions of the Series 5 Shares, except for as set out below and the provisions relating to redemption and purchase for cancellation, both of which are subject to the provisions of the Bank Act and prior consent of the Superintendent of Financial Institutions (Canada) (the “Superintendent”), and the rights on liquidation upon the occurrence of a Trigger Event, which will not be relevant since all Bank Series 5 Shares will be converted into Bank Common Shares (as defined below) which will rank on parity with all other issued and outstanding Bank Common Shares.

The Bank LRT Trustee, as trustee, will, by written notice, provide to the Bank a waiver of its right to receive any and all dividends on the Bank Series 5 Shares during the period from and including the date of waiver to and including the date upon which the Bank LRT Trustee, as trustee, provides, by written notice, a revocation of such waiver to the Bank (the “Bank Dividend Waiver”). Accordingly, no dividends are expected to be declared or paid on the Bank Series 5 Shares while the Bank Series 5 Shares are held by the Bank LRT Trustee. The Bank Dividend Waiver is applicable to the Bank LRT Trustee and will not bind a subsequent holder of the Bank Series 5 Shares. The Bank will provide a covenant to the Bank LRT Trustee that, at any time while the Bank Series 5 Shares are held by the Bank LRT Trustee and the Bank Dividend Waiver is no longer in effect, if it does not declare and pay dividends in full on the Bank Series 5 Shares, it will not declare or pay cash dividends on any of its other outstanding series of preferred shares.

Additional Voting Rights

Subject to applicable law, any of the changes to the share capital of the Bank that are captured by the Additional Voting Rights will require a favourable majority vote by the holders of the Bank Series 5 Shares, irrespective of whether the Bank Series 5 Shares are affected by the change in a manner different from other shares of the same class.

The Bank LRT Trustee will exercise any such Additional Voting Rights in respect of the Bank Series 5 Shares held by the Bank LRT Trustee only as directed by the Bank, and the Bank will provide instructions as to voting of the Bank Series 5 Shares only upon receiving directions from the holders of the Bank Notes.

See also “*Description of the Series 5 Shares – Voting Rights*”.

The Bank shall not, without the consent of the Superintendent, amend or vary the terms of the Bank Series 5 Shares in a manner that would affect the recognition afforded to the Bank Series 5 Shares from time to time for capital adequacy requirements pursuant to the Bank Act and the regulations and guidelines thereunder, including the OSFI Guideline for Capital Adequacy Requirements (CAR), as may be amended from time to time.

Conversion Upon Occurrence of Non-Viability Contingent Capital Trigger Event

Upon the occurrence of a Trigger Event, each outstanding Bank Series 5 Share will automatically and immediately be converted, on a full and permanent basis, without the consent of the holder thereof, into the number of fully-paid and non-assessable common shares of the Bank (“Bank Common Shares”) equal to: $(\text{Multiplier} \times \text{Share Value}) \div \text{Conversion Price}$ (rounding down, if necessary, to the nearest whole number of Bank Common Shares) (a “Contingent Conversion”). For the purposes of the foregoing:

“**Book Value**” means the book value per Bank Common Share based on the monthly financial statements most recently filed with OSFI.

“**Conversion Price**” of a Bank Series 5 Share means the greater of (i) the Floor Price and (ii) 30% of Book Value.

“**Floor Price**” means \$25, subject to adjustment in the event of (i) the issuance of Bank Common Shares or securities exchangeable for or convertible into Bank Common Shares to all holders of Bank Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Bank Common Shares into a greater number of Bank Common Shares, or (iii) the reduction, combination or consolidation of the Bank Common Shares into a lesser number of Bank Common Shares (the adjustment will be computed to the nearest one-tenth of one cent provided that no adjustment of the Floor Price shall be required unless such adjustment would require an increase or decrease of at least 1% of the Floor Price then in effect).

“**Multiplier**” means 1.0.

“**Share Value**” of a Bank Series 5 Share is \$1,000 plus declared and unpaid dividends on such Bank Series 5 Share as at the date of the Trigger Event. As a result of the Bank Dividend Waiver, no declared and unpaid dividends are expected for so long as the Bank Series 5 Shares are held by the Bank LRT Trustee.

“**Trigger Event**” has the meaning set out in the OSFI Guideline for Capital Adequacy Requirements (CAR), Chapter 2 - Definition of Capital, effective November 2023, as such term may be amended or superseded by OSFI from time to time, which term currently provides that each of the following constitutes a Trigger Event:

- the Superintendent publicly announces that the Bank has been advised, in writing, that the Superintendent is of the opinion that the Bank has ceased, or is about to cease, to be viable and that, after the conversion or write-off, as applicable, of all contingent instruments and taking into account any other factors or circumstances that are considered relevant or appropriate, it is reasonably likely that the viability of the Bank will be restored or maintained; or

- a federal or provincial government in Canada publicly announces that the Bank has accepted or agreed to accept a capital injection, or equivalent support, from the federal government or any provincial government or political subdivision or agent or agency thereof without which the Bank would have been determined by the Superintendent to be non-viable.

Immediately following the Contingent Conversion, pursuant to the limited recourse feature described above, each holder of Bank Notes will receive such noteholder's proportionate share of the Bank Common Shares issued in connection with the Trigger Event (other than any Dividend Common Shares). All claims of holders of Bank Notes against the Bank under the Bank Notes will be extinguished upon receipt of such Bank Common Shares. See "*Description of the Bank Notes – Limited Recourse*" above.

Fractions of Bank Common Shares will not be issued or delivered pursuant to a Contingent Conversion and no cash payment will be made in lieu of a fractional Bank Common Share. Notwithstanding any other provision of the Bank Series 5 Shares, the conversion of such shares shall not be an event of default and the only consequence of a Trigger Event under the provisions of such shares will be the conversion of such shares into Bank Common Shares.

In the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Bank Common Shares, the Bank will take all necessary action to ensure that holders of the Bank Series 5 Shares receive, pursuant to a Contingent Conversion, the number of Bank Common Shares or other securities that such holders would have received if the Contingent Conversion occurred immediately prior to the record date for such event.

Upon the occurrence of a Trigger Event, no Series 5 Shares will be converted. Investors are cautioned to read "Risk Factors" below.

Right Not to Deliver Bank Common Shares Upon Contingent Conversion

Upon a Contingent Conversion, the Bank reserves the right not to (i) deliver Bank Common Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or any person who, by virtue of the Contingent Conversion, would become a Significant Shareholder, or (ii) record in its securities register a transfer or issue of Bank Common Shares to any person whom the Bank or its transfer agent has reason to believe is an Ineligible Person or an Ineligible Government Holder based on a declaration submitted to the Bank or its transfer agent by or on behalf of such person. In those circumstances, the Bank or its transfer agent will hold, as agent of any such person, all or the relevant number of Bank Common Shares otherwise to be delivered or registered to such Ineligible Persons or persons who would become Significant Shareholders or Ineligible Government Holders, as the case may be, and the Bank or its transfer agent will deliver such shares to a broker retained by the Bank for the purpose of selling such Bank Common Shares to parties other than the Bank and its affiliates on behalf of any such person. Such sales (if any) will be made at such times and at such prices, as the Bank (or its transfer agent as directed by the Bank), in its sole discretion, may determine. Neither the Bank nor its transfer agent will be subject to any liability for failure to sell any such Bank Common Shares on behalf of any such person or at any particular price on any particular day. The net proceeds received by the Bank or its transfer agent, if any, from the sale of any such Bank Common Shares will be delivered to any such person, after deducting the costs of sale and any applicable withholding taxes.

RATINGS

The Notes are expected to be assigned a rating of "BB" by DBRS Limited ("Morningstar DBRS"). The "BB" rating expected to be assigned to the Notes by Morningstar DBRS ranks in the middle of the fifth highest rating category of Morningstar DBRS' ten rating categories for long-term debt obligations, which range from AAA to D. Morningstar DBRS uses the "high" and "low" designations to indicate the relative standing of the securities being rated within a particular rating category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The Series 5 Shares are expected to be assigned a rating of "Pfd-3 (low)" by Morningstar DBRS. The "Pfd-3 (low)" rating expected to be assigned to the Series 5 Shares by Morningstar DBRS ranks in the lower end of the third highest rating category of Morningstar DBRS' six rating categories for first preferred shares, which range from

Pfd-1 to D. A reference to “high” or “low” reflects the relative standing within the rating category. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category.

The Company made payments to Morningstar DBRS in connection with the assignment of ratings on its rated instruments. In addition, the Company has or may have made payments in respect of certain other services provided to the Company by Morningstar DBRS during the last two years.

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities and are indicators of the likelihood of the payment capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation. The credit ratings accorded to securities by the rating agencies are not recommendations to purchase, hold or sell the securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant, and if any such rating is so revised or withdrawn, the Company is under no obligation to update this prospectus supplement. Prospective purchasers of the Notes and Series 5 Shares should consult the rating organization with respect to the interpretation and implications of the foregoing ratings.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Company, and Torys LLP, counsel to the Agents (collectively, “Counsel”), the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes, including entitlement to all payments thereunder, as beneficial owner, pursuant to this prospectus supplement; and Series 5 Shares on a Recourse Event, and who, for purposes of the Tax Act and at all relevant times, is, or is deemed to be, resident in Canada, deals at arm’s length with the Company and each of the Agents, is not affiliated with the Company or any of the Agents, holds Notes and will hold any Series 5 Shares as capital property (a “Holder”).

Generally, Notes and Series 5 Shares will be capital property to a Holder, provided the Holder does not hold Notes or Series 5 Shares in the course of carrying on a business of trading or dealing in securities and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders whose Notes or Series 5 Shares would not otherwise qualify as capital property may, in certain circumstances, be entitled to have them and all other “Canadian securities” of the Holder, as defined in the Tax Act, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder (i) that is a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a “tax shelter investment” as defined in the Tax Act; (iii) that reports its “Canadian tax results”, as defined in the Tax Act, in a currency other than Canadian currency; or (iv) that has entered into, with respect to the Notes or Series 5 Shares, a “derivative forward arrangement” as defined in the Tax Act. Such Holders should consult their own tax advisors. Furthermore, this summary is not applicable to a Holder that is a “specified financial institution” (as defined in the Tax Act) that receives (or is deemed to receive) dividends in respect of Series 5 Shares acquired on a Recourse Event. Such Holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act and Counsel’s understanding of the administrative policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Tax Proposals”) and assumes that all Tax Proposals will be enacted in the form proposed. However, no assurances can be given that the Tax Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy, whether by legislative, regulatory, administrative or judicial action, nor does it take into account provincial, territorial or foreign tax considerations which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular

Holder is made. This summary is not exhaustive of all federal income tax considerations. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.

Notes

Interest

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Notes that accrues (or is deemed to accrue) to it to the end of the particular taxation year or that has become receivable by or is received by the Holder before the end of that taxation year, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual (other than a trust described in the immediately preceding paragraph), will be required to include in income for a taxation year all interest on the Notes that is received or receivable by such Holder in that taxation year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Dispositions of Notes

On a disposition or deemed disposition of Notes by a Holder, including a repayment by the Company upon maturity or a purchase or redemption by the Company, other than a disposition as the result of a Recourse Event, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest (including amounts considered to be interest) that has accrued or been deemed to accrue on the Notes from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year.

On a disposition of Notes by a Holder as a result of a Recourse Event, a Holder that has previously included an amount in income in respect of accrued and unpaid interest on the Notes that exceeds the amount of interest received by such Holder prior to the Recourse Event may be entitled to an offsetting deduction in the year of disposition in an amount equal to the amount of such excess.

Any premium paid by the Company to a Holder on the repurchase of a Note (other than in the open market in the manner in which any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received by the Holder at the time of the payment to the extent that it can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Company on the Note for a taxation year of the Company ending after the time of the payment. Such interest will be required to be included in computing the Holder's income in the manner described above.

In general, on a disposition or deemed disposition of Notes, a Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Holder's income as interest or otherwise, exceed (or are less than) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. On a Recourse Event, the proceeds of disposition will be the fair market value of the Series 5 Shares received on such Recourse Event. The cost of a Series 5 Share received on such Recourse Event will generally equal the fair market value of such share on the date of acquisition and will be averaged with the adjusted cost base of all Series 5 Shares held by such Holder as capital property immediately before such time for the purpose of determining thereafter the adjusted cost base of each such share.

Series 5 Shares

Dividends

Dividends (including deemed dividends) received on the Series 5 Shares by a Holder that is an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by individuals from taxable Canadian corporations. Taxable dividends received that are designated by the Company as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the Tax Act. Dividends (including deemed dividends) on the Series 5 Shares received by a Holder that is a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation.

The Series 5 Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series 5 Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 5 Shares.

A Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received by it on the Series 5 Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions of Series 5 Shares

A Holder who disposes of or is deemed to dispose of Series 5 Shares (including, generally, on redemption or purchase for cancellation of the shares by the Company for cash or otherwise) will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to that Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or purchase for cancellation, as applicable, by the Company of Series 5 Shares will generally not be included in computing the proceeds of disposition to any Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "*Acquisitions by the Company of Series 5 Shares*" below. If the Holder is a corporation, any such capital loss realized on a disposition of a Series 5 Share may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Acquisitions by the Company of Series 5 Shares

If the Company redeems for cash or otherwise acquires Series 5 Shares other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Company in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. See "*Dividends*" above. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "*Dispositions of Series 5 Shares*" above. In the case of a corporate Holder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

Taxation of Capital Gains and Capital Losses

Under the current rules in the Tax Act, one-half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year will generally be included in the Holder's income for the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Holder in the year. Any excess allowable capital losses over taxable capital gains of the Holder for that year may be carried back up

to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, subject to the detailed provisions of the Tax Act.

Under Tax Proposals released on June 10, 2024 (“Capital Gains Increase Proposals”), for taxation years that end after June 24, 2024, the capital gains inclusion rate would generally be increased from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds for individuals on capital gains realized, including capital gains realized indirectly through a trust or partnership, in a taxation year (net of any capital losses realized in the year and any net capital losses that are carried forward or back to the year). An individual Holder's income for a particular taxation year in which the increased rate applies will be subject to certain adjustments which are intended to effectively reduce the individual Holder's net inclusion rate to the original one-half for up to \$250,000 of net capital gains realized (or deemed to be realized) by the individual Holder in the year that are not offset by net capital losses carried back or forward from another taxation year. The Capital Gains Increase Proposals also provide for transitional rules and other consequential amendments. Holders who may be subject to the increased inclusion rate for capital gains as a result of the Capital Gains Increase Proposals should consult their own tax advisors.

Additional Refundable Tax

A Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) throughout the year or a “substantive CCPC” (as defined in the Tax Act) at any time in the year may be liable to pay a refundable tax on certain investment income including amounts in respect of interest, dividends received or deemed to be received that are not deductible in computing income for a year and the amount of any taxable capital gains. Any such Holder should consult with its own tax advisors in this regard.

Alternative Minimum Tax

Capital gains realized and taxable dividends received by a Holder who is an individual (other than certain trusts) may result in such Holder being liable for alternative minimum tax under the Tax Act. Holders who are individuals (including certain trusts) should consult with its own tax advisors in this regard.

CONSOLIDATED CAPITALIZATION

The following table sets out the Company’s capitalization as at April 30, 2024 on an actual basis and on an as adjusted basis to give effect to the offering of the Notes and Series 5 Shares. See “*Use of Proceeds*”. The following table should be read in conjunction with the Company’s second quarter report for the three and six-month period ended April 30, 2024, which is incorporated by reference herein and includes consolidated interim financial statements (unaudited) and the Q-2 2024 MD&A.

	As at April 30, 2024	
(in thousands of Canadian dollars)	Actual	As adjusted to give effect to the offering of the Notes and Series 5 Shares⁽¹⁾
Shareholders’ Equity	(\$)	(\$)
Common Shares	495,707	495,707
Preferred Shares ⁽²⁾	181,411	181,411
Limited Recourse Capital	-	•
Notes ⁽³⁾		
Contributed Surplus	(24,811)	(24,811)
Retained Earnings	2,359,116	2,359,116

Accumulated Other Comprehensive Income (Loss)	(7,804)	(7,804)
Non-Controlling Interest	12,189	12,189
Total Shareholders' Equity	3,015,808	•
Total Equity	3,015,808	•

Notes:

- (1) This column assumes and gives effect to the offering and the use of proceeds therefrom. Based on the issuance of • Notes and • Series 5 Shares pursuant to the offering for net proceeds to the Company from the offering of approximately \$• after deducting the Agents' fee of \$•, and aggregate estimated expenses of the offering of approximately \$•. The expenses of the offering and the Agents' fee will be paid from the Company's operating credit facility. See "Use of Proceeds".
- (2) For accounting purposes, the Series 5 Shares would be eliminated on the Company's consolidated balance sheet prior to a Recourse Event. Accordingly, after giving effect to this offering, there would have been no change in Preferred Shares as at April 30, 2024.
- (3) For accounting purposes, the Notes are compound instruments with both equity and liability features. The liability component of the Notes would have a nominal value and, as a result, the full proceeds to be received shall be presented as equity. After giving effect to this offering, limited recourse capital notes would have amounted to approximately \$• million as at April 30, 2024.

USE OF PROCEEDS

The gross proceeds to the Company from the sale of the Notes will be used by the Company to acquire the Bank Notes. See "Description of the Bank Notes". The expenses of the issue of the Notes, estimated to be approximately \$•, and the Agents' fee will be paid from the Company's operating credit facility. The proceeds to the Bank from the sale of the Bank Notes will be added to the Bank's general funds and will be utilized for general banking purposes, which may include the redemption of outstanding capital securities of the Bank, and/or the repayment of other outstanding liabilities of the Bank.

The purchase price for the Series 5 Shares qualified hereby shall be satisfied by funds paid by the Company to the LRT Trustee to satisfy the subscription price for voting trust units of the Limited Recourse Trust. As a result, no proceeds will be raised from the offering of the Series 5 Shares pursuant to this prospectus supplement. The offering price of the Series 5 Shares qualified under this prospectus supplement is \$1,000 per share.

PLAN OF DISTRIBUTION

Under an agreement dated July •, 2024 between the Agents and the Company (the "Agency Agreement"), the Agents have agreed to act as the Company's agents to offer the Notes for sale to the public on a best efforts basis, if, as and when issued by the Company, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Notes was established by negotiation between the Company and the Agents. The Agents will receive a fee equal to \$10.00 for each \$1,000 principal amount of Notes sold.

The Series 5 Shares qualified by this prospectus supplement will be issued to the LRT Trustee. No underwriter has been involved in the offering of the Series 5 Shares qualified by this prospectus supplement. The offering price of the Series 5 Shares was established by the Company.

The Notes may only be offered and sold in Canada to "accredited investors" (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who are not individuals. Each Agent will represent and covenant, severally and not on a joint and several basis, to the Company that it will only sell the Notes to such purchasers in Canada. **By purchasing a Note in Canada and accepting delivery of a purchase confirmation such purchaser will be deemed to represent to the Company and the Agent from whom the purchase confirmation is received that such purchaser is an "accredited investor" (as such term is defined in NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable) who is not an individual.**

The obligations of the Agents under the Agency Agreement may be terminated in their discretion on the basis of their assessment of the state of the financial markets and also upon the occurrence of certain stated events. While

the Agents have agreed to use their best efforts to sell the Notes offered under this prospectus supplement, the Agents will not be obligated to purchase any Notes which are not sold.

Neither the Notes nor the Series 5 Shares have been, nor will be, registered under the U.S. Securities Act or any state securities laws, and the Agents have agreed not to (i) buy or offer to buy, (ii) sell or offer to sell or (iii) solicit any offer to buy any Notes as part of their original distribution in the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person.

In connection with the offering of Notes, the Agents may, subject to applicable laws, over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Company may withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part (whether placed directly with the Company or through the Agents). Each Agent may, in its discretion reasonably exercised, reject in whole or in part any offer to purchase Notes received by it.

Neither the Notes nor the Series 5 Shares will be listed on any securities exchange and do not have an established trading market. Each of the Agents may from time to time purchase and sell Notes in the secondary market, but no Agent is obligated to do so, and there is no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Agents may make a market in the Notes, but the Agents are not obligated to do so and may discontinue any market-making activity at any time.

BOOK-ENTRY ONLY SECURITIES

CDS Clearing and Depository Services Inc.

Securities of the Company (the “Securities”) issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“CDS Participants”) in the depository service of CDS or a successor or its nominee. Each of the investment dealers offering securities in “book-entry only” form will be a CDS Participant. On the closing of a book-entry only offering, the Company will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or will cause the Securities to be issued or authenticated in uncertificated format, as applicable. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Company or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the investment dealer from which the Securities are purchased in accordance with the practices and procedures of that investment dealer. The practices of the investment dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this prospectus supplement to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Securities. If (i) the book-entry only system ceases to exist, (ii) the Company determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Company is unable to locate a qualified successor, or (iii) the Company at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

Transfer, Conversion and Redemption of Securities

Transfers of ownership, conversions or redemptions of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Securities who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through CDS Participants. The ability of a holder to pledge Securities or otherwise take action with

respect to such holder's interest in Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Deliveries

The Company will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and the Company understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-entry only system, the responsibility and liability of the Company in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS, as registered holder of the Securities. The Company expects that CDS, upon receipt of any payment in respect of Securities, will credit CDS Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Securities as shown on the records of CDS in accordance with the customary practices and procedures of CDS. The Company also expects that payments by CDS Participants to the owners of beneficial interests in Securities held through such CDS Participants will be governed by standing instructions and customary practices, and will be the responsibility of such CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS, and persons other than CDS Participants having an interest in Securities must look solely to CDS Participants, for payments or deliveries made by or on behalf of the Company to CDS in respect of such Securities.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest, to exercise any rights with respect to the Securities. The Company understands that under existing policies of CDS and industry practices, if the Company requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Company, any trustee and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of the Company, the Agents, the Indenture Trustee or any other trustee will assume liability or responsibility for (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries relating thereto, (ii) maintaining, supervising or reviewing any records relating to the Securities, or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

EARNINGS COVERAGE

The information in this "Earnings Coverage" section is disclosed in accordance with Item 6 of Form 44-101F1 – *Short Form Prospectus*.

For the twelve months ended October 31, 2023

The Company's pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$● for the 12 months ended October 31, 2023 after giving effect to this offering and the other indebtedness of the Company. The Company's earnings before interest and income tax for the 12 months ended October 31, 2023 were \$562,158,000, which was ● times the Company's aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of the Company.

The earnings of the Company before the deduction of interest and amortization for discounts and premiums and issue expenses on the Notes and income taxes for the 12 months ended October 31, 2023 amounted to \$562,158,000. This amount is approximately ● times the Company's interest expense for the 12 months ended October 31, 2023.

For the twelve months ended April 30, 2024

The Company's pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$● for the 12 months ended April 30, 2024 after giving effect to this offering and the other indebtedness of the Company. The Company's earnings before interest and income tax for the 12 months ended April 30, 2024 were \$654,319,000, which was ● times the Company's aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of the Company.

The earnings of the Company before the deduction of interest and amortization for discounts and premiums and issue expenses on the Notes and income taxes for the 12 months ended April 30, 2024 amounted to \$654,319,000. This amount is approximately ● times the Company's interest expense for the 12 months ended April 30, 2024.

PRIOR SALES

During the 12-month period before the date of this prospectus supplement, the Company has not issued any Preferred Shares or limited recourse capital notes or any securities that are convertible into or exercisable for Preferred Shares or limited recourse capital notes.

TRADING PRICE AND VOLUME

The outstanding Series 3 Preferred Shares of the Company are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "EQB.PR.C". The following table sets forth the reported high and low trading prices in Canadian dollars and trading volumes of the Series 3 Preferred Shares on the TSX during the 12 months preceding the date of this prospectus supplement.

Month	High (\$)	Low (\$)	Volume Traded
July 2023	22.97	22.38	18,903
August 2023	22.80	22.50	13,193
September 2023	23.75	22.45	31,137
October 2023	23.75	22.80	41,339
November 2023	24.00	22.95	40,683
December 2023	23.93	23.25	29,616
January 2024	24.23	23.70	19,820
February 2024	24.65	24.15	28,105
March 2024	24.80	24.50	27,056
April 2024	24.80	24.60	43,497
May 2024	25.08	24.75	67,612
June 2024	25.19	24.62	47,789

RISK FACTORS

Investment in the Notes (and Series 5 Shares upon delivery of the Corresponding Trust Assets) is subject to various risks including those inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in the Notes, investors should consider carefully, in light of their own financial circumstances, the risk factors and all of the other information contained below and elsewhere in this prospectus supplement and incorporated by reference in this prospectus supplement (including those set out in the Prospectus and subsequently filed documents incorporated by reference).

As an investment in the Notes may become an investment in Series 5 Shares in certain circumstances, potential investors in the Notes should also consider the risks set out herein regarding the Series 5 Shares and in the

Prospectus regarding Preferred Shares, in addition to the other risks set out herein regarding the Notes. Prospective purchasers should also consider the categories of risks identified and discussed in the Company's 2023 MD&A and Q-2 2024 MD&A, which is incorporated herein by reference, including but not limited, to risks associated with the COVID-19 coronavirus pandemic, credit and counterparty risk, liquidity and funding risk, market risk, operational risk, legal and regulatory risk, business and strategic risk, reputational risk, and other factors that may affect the Company's results. The risks described herein and in the documents incorporated by reference into this prospectus supplement are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business. We cannot assure you that any of the events discussed in the risk factors below will not occur. If any of such events does occur, you may lose all or part of your original investment in the securities distributed under this prospectus supplement.

An investment in the Notes and the Series 5 Shares is subject to the Company's credit risk.

The value of the Notes and the Series 5 Shares will be affected by the general creditworthiness of the Company. Real or anticipated changes in credit ratings on the Notes or the Series 5 Shares may affect the market value of the Notes and the Series 5 Shares, respectively. In addition, real or anticipated changes in the Company's credit ratings could also affect the cost at which the Company can transact or obtain funding, and thereby affect the Company's liquidity, business, financial condition or results of operations, and therefore, the Company's ability to make payment on the Notes could be adversely affected. See the 2023 MD&A and Q-2 2024 MD&A incorporated by reference in this prospectus supplement. These analyses discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Company's business, financial condition or results of operations.

The Company's earnings are significantly affected by changes in general business and economic conditions in the regions in which it operates. These conditions include short- and long-term interest rates, inflation, fluctuations in the debt and capital markets (including changes in credit spreads, credit migration and rates of default), equity or commodity prices, exchange rates, the strength of the economy, the stability of various financial markets, threats of terrorism and the level of business conducted in a specific region and/or any one sector within each region. Challenging market conditions and the health of the economy as a whole may have a material effect on the Company's business, financial condition, liquidity and results of operations.

An investment in the Notes and the Series 5 Shares is subject to market fluctuations.

The value of the Notes or the Series 5 Shares may be affected by market value fluctuations resulting from factors which influence the Company's operations, including regulatory developments, competition and global market activity.

A holder of Notes will have limited remedies.

In the event of a non-payment by the Company of the principal amount of, interest on, or Redemption Price for, the Notes when due or the occurrence of an event of default, the sole remedy of holders of Notes shall be the delivery to the holders of their proportionate share of the Corresponding Trust Assets. If the Corresponding Trust Assets consist of Series 5 Shares at the time such an event occurs, the Company will deliver to each holder of Notes one Series 5 Share for each \$1,000 principal amount of Notes held, which shall be applied to the payment of the principal amount of the Notes, and such delivery of Series 5 Shares will exhaust the remedies of each holder of Notes against the Company for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon then due and payable. The market value of the Corresponding Trust Assets could be significantly less than the face value of the Notes. In the event that the value of the Corresponding Trust Assets delivered to holders of Notes is less than the principal amount of and any accrued and unpaid interest on, or the Redemption Price of, the Notes, all losses arising from such shortfall shall be borne by such holders and no claim may be made against the Company.

The Notes will rank subordinate to all higher ranked indebtedness in the event of the Company's insolvency, dissolution or winding-up.

The Notes will be direct unsecured debt obligations of the Company which, if the Company becomes insolvent or is wound-up, will rank: (a) subordinate in right of payment to the prior payment in full of all Higher Ranked Indebtedness, including certain Subordinated Indebtedness and (b) in right of payment equally with and not prior to Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) and will be subordinate in right of payment to the claims of the Company's unsubordinated creditors, provided that in any such case, in case of the Company's non-payment of the principal amount of, interest on, or Redemption Price for, the Notes when due, the sole remedy of the holders of the Notes shall be the delivery to the holders of their proportionate share of the Corresponding Trust Assets. There is no limit on the Company's ability to incur additional subordinated debt or more senior debt. For the avoidance of doubt, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Notes will not be relevant during insolvency proceedings or a wind-up of the Company, since once the Corresponding Trust Assets shall have been delivered to the holders of Notes, such delivery will have exhausted all remedies of such holders against the Company, and the Notes shall have ceased to be outstanding.

An investment in the Notes may become an investment in Series 5 Shares in certain circumstances.

In the event of a Recourse Event, the sole remedy of holders of the Notes will be the delivery of the Corresponding Trust Assets, which may comprise Series 5 Shares. The delivery of Corresponding Trust Assets to the holders of Notes shall be applied to the payment of the principal amount of the Notes and will exhaust the holders' remedies against the Company for repayment of the principal amount of the Notes and any accrued but unpaid interest thereon when due and payable. As a result, you may become a shareholder of the Company at a time when the Company's financial condition is deteriorating or when the Company has become insolvent or has been ordered to be wound-up or liquidated. In the event of the Company's liquidation, the claims of the Company's creditors (including holders of subordinated indebtedness) would be entitled to priority of payment over holders of Series 5 Shares. If the Company were to become insolvent or be ordered to be wound-up or liquidated after your investment in the Notes has become an investment in Series 5 Shares, you may receive, if anything, substantially less than you would have received as a holder of the Notes.

There is no market for the Notes or the Series 5 Shares.

Neither the Notes nor the Series 5 Shares will be listed on any stock exchange or quotation system, consequently, there may be no market through which the Notes may be sold and purchasers may therefore be unable to resell such Notes or the Series 5 Shares. This may affect the pricing of the Notes and the Series 5 Shares in any secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the Series 5 Shares and the extent of issuer regulation. Each of the Agents may from time to time purchase and sell Notes in the secondary market or make a market for the Notes, but no Agent is obliged to do so and there can be no assurance as to a secondary market for the Notes, liquidity in any such market or any market making activities by any Agent.

The market value of the Notes is subject to interest rate risk and the Notes may trade at a discount from their initial offering price.

Future trading prices of the Notes will depend on many factors, including prevailing interest rates, foreign exchange movements, the market for similar securities, general economic conditions and the Company's financial condition, performance, prospects and other factors. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price.

Prevailing interest rates will affect the market value of the Notes. Assuming all other factors remain unchanged, the market value of the Notes would be expected to decline as prevailing interest rates for similar securities rise and would be expected to increase as prevailing interest rates for similar securities decline. Spreads over the Government of Canada Yield and comparable benchmark rates of interest for similar securities will also affect the market value of the Notes.

The market value of the Series 5 Shares may fluctuate.

Prevailing yields on similar securities will affect the market value of Series 5 Shares. Assuming all other factors remain unchanged, the market value of the Series 5 Shares will decline as prevailing yields for similar securities rise and will increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield and comparable benchmark rates of interest for similar securities will also affect the market value of the Series 5 Shares.

The Series 5 Shares are non-cumulative and there is a risk the Company will be unable to pay dividends on the shares.

Dividends on the Series 5 Shares are non-cumulative and payable at the discretion of the board of directors. See “*Earnings Coverage*” in this prospectus supplement, which is relevant to an assessment of the risk that the Company will be unable to pay dividends and any Redemption Price on the Series 5 Shares when due.

Ranking of Series 5 Shares on insolvency, dissolution or winding-up.

The Series 5 Shares are equity capital of the Company. The Series 5 Shares will rank equally with the Company’s other Preferred Shares in the event of an insolvency, dissolution or winding-up of the Company. If the Company becomes insolvent, is dissolved or is wound-up, the Company’s assets must be used to pay debt, including subordinated debt, before payments may be made on the Series 5 Shares, if any, and other Preferred Shares.

The Bank Series 5 Shares are subject to an automatic and immediate redemption in exchange for Bank Common Shares upon a Trigger Event and a Contingent Conversion.

Upon the occurrence of a Trigger Event and a Contingent Conversion, there is no certainty of the value of the Bank Common Shares to be received by the holders of the Bank Series 5 Shares and, indirectly, the holders of the Bank Notes, and the value of such Bank Common Shares could be significantly less than the face value of the Bank Series 5 Shares or the Bank Notes. As the Company holds all of the Bank Notes, indirectly, the holders of the Notes, and the holders of the Series 5 Shares, may be deprived of substantially all of the benefit of their investment in the Notes and the Series 5 Shares.

A Trigger Event may involve a subjective determination outside the Bank’s control.

The decision as to whether a Trigger Event will occur may involve a subjective determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable and that the conversion of all contingent instruments is reasonably likely, taking into account any other factors or circumstances that are considered relevant or appropriate by the Superintendent, to restore or maintain the viability of the Bank. A Trigger Event will also occur if a federal or provincial government in Canada publicly announces that the Bank accepted or agreed to accept a capital injection, or equivalent support from such government or a political subdivision or agent or agency thereof, without which the Superintendent would have determined to be non-viable. Such determination will be beyond the control of the Bank. See the definition of Trigger Event under “Description of the Bank Series 5 Shares – Conversion Upon Occurrence of Non-Viability Contingent Capital Trigger Event.”

OSFI has stated that the Superintendent will consult with the Canada Deposit Insurance Corporation (“CDIC”), the Bank of Canada, the Department of Finance, and the Financial Consumer Agency of Canada prior to making a determination as to the non-viability of a financial institution. The conversion of contingent instruments alone may not be sufficient to restore an institution to viability and other public sector interventions, including liquidity assistance or a bail-in conversion, could be required along with the conversion of contingent instruments to maintain an institution as a going concern.

In assessing whether the Bank has ceased, or is about to cease, to be viable and that, after the conversion of all contingent instruments, it is reasonably likely that the viability of the Bank will be restored or maintained, OSFI has stated that the Superintendent will consider, in consultation with the authorities referred to above, all relevant facts and circumstances. Those facts and circumstances may include, in addition to other public sector interventions, a consideration of whether, among other things:

- the assets of the Bank are, in the opinion of the Superintendent, sufficient to provide adequate protection to the Bank's depositors and creditors;
- the Bank has lost the confidence of depositors or other creditors and the public (for example, ongoing increased difficulty in obtaining or rolling over short-term funding);
- the Bank's regulatory capital has, in the opinion of the Superintendent, reached a level, or is eroding in a manner, that may detrimentally affect its depositors and creditors;
- the Bank has failed to pay any liability that has become due and payable or, in the opinion of the Superintendent, the Bank will not be able to pay its liabilities as they become due and payable;
- the Bank failed to comply with an order of the Superintendent to increase its capital;
- in the opinion of the Superintendent, any other state of affairs exists in respect of the Bank that may be materially prejudicial to the interests of the Bank's depositors or creditors or the owners of any assets under the Bank's administration; and
- the Bank is unable to recapitalize on its own through the issuance of Bank Common Shares or other forms of regulatory capital (for example, no suitable investor or group of investors exists that is willing or capable of investing in sufficient quantity and on terms that will restore the Bank's viability, nor is there any reasonable prospect of such an investor emerging in the near-term in the absence of conversion of contingent instruments).

Canadian authorities retain full discretion to choose not to trigger non-viability contingent capital notwithstanding a determination by the Superintendent that the Bank has ceased, or is about to cease, to be viable. Under such circumstances, the holders of the Bank Notes and the Bank Series 5 Shares could be exposed to losses through the use of other resolution tools or in liquidation; as the Company holds all of the Bank Notes, indirectly the holders of the Notes and the Series 5 Shares could likewise be exposed to such losses.

Circumstances surrounding a potential Contingent Conversion will have an adverse effect on the market price of the Bank Notes and Bank Series 5 Shares and may also indirectly have an adverse effect on the market price of the Notes, Series 5 Shares and other securities of the Company.

The occurrence of a Trigger Event may involve a subjective determination by the Superintendent that the conversion of all contingent instruments is reasonably likely to restore or maintain the viability of the Bank. As a result, a Contingent Conversion may occur in circumstances that are beyond the control of the Bank. Also, even in circumstances where the market expects the Superintendent to cause a Contingent Conversion, the Superintendent may choose not to take that action. Because of the inherent uncertainty regarding the determination of when a Contingent Conversion may occur, it will be difficult to predict, when, if at all, the Bank Series 5 Shares will be mandatorily converted into Bank Common Shares and delivered to holders of the Bank Notes, and as a Recourse Event includes a Trigger Event, consequently, when the holders of Notes shall receive their proportionate share of the Corresponding Trust Assets. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Bank Notes, Bank Series 5 Shares and the Bank Common Shares, and will likely have an adverse effect on the market price of the Notes, Series 5 Shares and possibly other securities of the Company, whether or not such Trigger Event actually occurs.

Due to the Company's holdings of the Bank Notes and the Bank Series 5 Shares, holders of Notes and holders of Series 5 Shares may be indirectly exposed to losses through the use of other Canadian bank resolution powers or in liquidation.

Due to the Company's holdings of the Bank Notes, the holders of the Notes and holders of the Series 5 Shares may be indirectly exposed to losses through the use of other Canadian bank resolution powers or in liquidation. Under the Canadian bank resolution powers, in circumstances where the Superintendent is of the opinion that the Bank has

ceased, or is about to cease, to be viable and viability cannot be restored or preserved by exercise of the Superintendent's powers under the Bank Act, the Superintendent, after providing the Bank with a reasonable opportunity to make representations, is required to provide a report to CDIC. Following receipt of the Superintendent's report, CDIC may employ various resolution powers, including reimbursement of insured depositors, assistance with a sale to a viable buyer, financial institution restructuring provisions, designation of a bridge institution and other financial assistance.

As a result, due to the Company's holdings of the Bank Notes, a holder of Notes or Series 5 Shares may lose all of its investment, including the principal amount plus any accrued dividends or interest, if the CDIC were to take action under the Canadian bank resolution powers, and any Bank Common Shares into which the Bank Notes or Bank Series 5 Shares are converted upon the occurrence of a Trigger Event, a Contingent Conversion or in connection with a Bank Recourse Event that is a Trigger Event, may be of little value at the time of a Contingent Conversion and thereafter.

The Bank Notes are direct unsecured junior obligations of the Bank constituting subordinated indebtedness for the purpose of the Bank Act which, provided holders of such Bank Notes have not received Bank Common Shares upon the occurrence of a Trigger Event, a Contingent Conversion or a Bank Recourse Event that is a Trigger Event, rank: (a) subordinate in right of payment to the prior payment in full of all Bank Higher Ranked Indebtedness, including certain Bank Subordinated Indebtedness and (b) in right of payment equally with and not prior to Bank Junior Subordinated Indebtedness (other than Bank Junior Subordinated Indebtedness which by its terms ranks subordinate to the Bank Notes) and will be subordinate in right of payment to the claims of the Bank's depositors and other unsubordinated creditors, provided that in any such case, in case of the Bank's non-payment of the principal amount of, interest on, or Bank Redemption Price for, the Bank Notes when due, the sole remedy of the holders of the Bank Notes shall be the delivery to the holders of their proportionate share of the Bank Corresponding Trust Assets in the event of the insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up while the Bank Notes remain outstanding, the Bank's assets must be used to pay deposit liabilities and prior and senior ranking indebtedness before payments may be made on the Bank Notes, other subordinated indebtedness, the Bank Series 5 Shares and the Bank Common Shares. Subject to the Bank's regulatory capital requirements, there is no limit on the Bank's ability to incur additional subordinated debt. In addition, the terms of the Bank Notes do not restrict the Bank's ability to incur indebtedness that ranks senior to the Bank Notes. For the avoidance of doubt, as a result of the limited recourse feature described in this prospectus supplement, the ranking of the Bank Notes will not be relevant during insolvency proceedings or wind-up of the Bank, since once the Bank Corresponding Trust Assets shall have been delivered to the holders of Bank Notes, such delivery will have exhausted all remedies of such holders against the Bank, and the Bank Notes shall have ceased to be outstanding. Upon the occurrence of a Trigger Event, each Bank Series 5 Share will be automatically converted into Bank Common Shares pursuant to a Contingent Conversion and the principal amount of, and accrued and unpaid interest on, all of the Bank Notes will become immediately due and payable by the Bank without any declaration or other act on the part of the Bank Indenture Trustee or any holders of the Bank Notes, provided that the sole remedy of the holders of the Bank Notes for such amounts due and payable by the Bank shall be, the delivery of the Bank Corresponding Trust Assets (which shall consist of, in such circumstance, the Bank Common Shares issued in connection with the Trigger Event), such that the terms of the Bank Notes with respect to priority and rights upon liquidation will not be relevant as the Bank Notes will have been converted to Bank Common Shares ranking on parity with all other outstanding Bank Common Shares.

Following the occurrence of a Trigger Event, the Company will no longer have rights as a holder of Bank Notes or Bank Series 5 Shares and will only have rights as a holder of Bank Common Shares, and consequently, you will no longer have rights as a holder of Notes.

Upon the occurrence of a Trigger Event, the rights, terms and conditions of the Bank Notes or Bank Series 5 Shares, as applicable (depending on whether the Trigger Event occurred prior to any other Bank Recourse Event), including with respect to priority and rights on liquidation, will no longer be relevant as all Bank Series 5 Shares will have been converted on a full and permanent basis without the consent of the holders thereof into Bank Common Shares ranking on parity with all other outstanding Bank Common Shares and all holders of such Bank Notes or Bank Series 5 Shares, as applicable, will then be holding Bank Common Shares. Moreover, given that a Recourse Event includes a Trigger Event, upon the occurrence of a Trigger Event, you will receive from the LRT Trustee your proportionate share of the Corresponding Trust Assets and all of your remedies under the Notes shall be exhausted. Given the nature of the Trigger Event, a holder of Bank Notes or Bank Series 5 Shares, as applicable, will become a

holder of Bank Common Shares and a holder of Notes may become a holder of Series 5 Shares at a time when the Bank's, and by virtue of its holdings in the Bank, the Company's, financial condition has deteriorated. If the Bank were to become insolvent, is dissolved or wound-up after the occurrence of a Trigger Event, as holders of Series 5 Shares, investors may receive substantially less than they might have received had they continued to hold Notes.

A Contingent Conversion may also occur at a time when a federal or provincial government or other government agency in Canada has provided, or will provide, a capital injection or equivalent support, the terms of which may rank in priority to the Bank Common Shares with respect to the payment of dividends, rights on liquidation or other terms. Further, holders of Bank Notes or Bank Series 5 Shares, as applicable, will receive Bank Common Shares pursuant to a Contingent Conversion at a time when other debt obligations of the Bank may be converted into Bank Common Shares, and additional Bank Common Shares or securities ranking in priority to the Bank Common Shares may be issued, thereby causing substantial dilution to holders of Bank Common Shares and the former holders of Bank Notes and Bank Series 5 Shares, who will then become holders of Bank Common Shares upon the Trigger Event.

As the holder of the Bank Notes, the Company does not have anti-dilution protection in all circumstances.

The Floor Price that is used to calculate the Conversion Price is subject to adjustment in a limited number of events: (i) the issuance of Bank Common Shares or securities exchangeable for or convertible into Bank Common Shares to all holders of Bank Common Shares as a stock dividend, (ii) the subdivision, redivision or change of the Bank Common Shares into a greater number of Bank Common Shares, or (iii) the reduction, combination or consolidation of the Bank Common Shares into a lesser number of Bank Common Shares. In addition, in the event of a capital reorganization, consolidation, merger or amalgamation of the Bank or comparable transaction affecting the Bank Common Shares after the date of this prospectus supplement, the Bank will take all necessary action to ensure that holders of Bank Series 5 Shares receive, pursuant to a Contingent Conversion, the number of Bank Common Shares or other securities that such holders would have received if the Contingent Conversion occurred immediately prior to the record date for such event. However, there is no requirement that there should be an adjustment of the Floor Price or other anti-dilutive action by the Bank for every corporate or other event that may affect the market price of the Bank Common Shares. Accordingly, the occurrence of events in respect of which no adjustment to the Floor Price is made may adversely affect the number of Bank Common Shares issuable to a holder of Bank Series 5 Shares and thereafter delivered to a holder of Bank Notes upon a Contingent Conversion and subsequent delivery of the Bank Corresponding Trust Assets (being Bank Common Shares) to the holders of Bank Notes. Moreover, as a Recourse Event for the Company includes a Trigger Event, such adverse effects may also impact the holders of the Notes.

The Notes may be affected by changes in law.

The terms and conditions of the Notes are based on the laws of the Province of Ontario and the federal laws of Canada applicable therein as at the date of the issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario or the federal laws of Canada applicable therein or administrative practice after the date of issue of the Notes.

The interest rate in respect of the Notes will reset.

The interest rate in respect of Notes will reset every five years. In each case, the new interest rate is unlikely to be the same as, and may be lower than, the interest rate for the applicable preceding interest rate period.

The Company may redeem the Notes in certain situations.

The Company may elect to redeem the Notes, or the Notes may be automatically redeemed, without the consent of the holders of the Notes in the circumstances described under "Description of the Notes – Redemption" and "Description of the Series 5 Shares — Redemption". If the Company redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at the time and consider potential

uncertainty with respect to both the rate of interest payable on the Notes, which may fluctuate, and with respect to the length of the remaining term of the Notes, which will be dependent upon whether or not the Notes are redeemed prior to their maturity.

The dividend rate in respect of the Series 5 Shares will reset.

The dividend rate in respect of Series 5 Shares will reset every five years. The new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

The Company may redeem the Series 5 Shares at its option in certain situations.

The Company may elect to redeem the Series 5 Shares without the consent of the holders of the Series 5 Shares in the circumstances described under “Description of the Series 5 Shares – Redemption”. In the event of the redemption of the Series 5 Shares, outstanding Notes with an aggregate principal amount equal to the aggregate face amount of the Series 5 Shares redeemed will be automatically redeemed.

The Company derives substantially all of its income from the Bank.

The Company derives substantially all of its income from the Bank. The ability of the board of directors of the Company to declare dividends payable on the Series 5 Shares once such Series 5 Shares are delivered to holders of the Notes on a Recourse Event will be dependent on the declaration and payment of dividends by the Bank on the Bank Series 5 Shares. While the Bank has covenanted to use its best efforts to declare and pay dividends at the applicable rates on the Bank Series 5 Shares, its ability to make such declarations and payments will be subject to, among other things, applicable law, including all OSFI requirements, and the exercise of the fiduciary obligations of the board of directors of the Bank. In addition, there is no certainty that the Company will continue to own all of the securities of the Bank or control the Bank in the future.

Upon the occurrence of a Trigger Event and a Contingent Conversion, the Bank Series 5 Shares will convert into Bank Common Shares. As such, payments of dividends from the Bank to the Company, as the beneficial holder of all of the Bank Series 5 Shares through the Bank LRT Trustee, would cease and the holders of Series 5 Shares may be deprived of substantially all of the benefit of their investment in the Series 5 Shares. The cessation of such dividend payments would adversely affect the Company’s financial position and, therefore, its ability to pay dividends to the holders of the Series 5 Shares. A Trigger Event may involve a subjective determination by OSFI that is outside the control of the Company. Because of the inherent uncertainty regarding the determination of when a Contingent Conversion may occur, it will be difficult to predict when, if at all, the Bank Series 5 Shares will be mandatorily converted into Bank Common Shares. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Bank Notes, Bank Series 5 Shares and the Bank Common Shares, and will likely have an adverse effect on the market price of the Notes, Series 5 Shares and possibly other securities of the Company, whether or not such Trigger Event actually occurs.

The Company has no limitation on issuing senior or pari passu securities.

The Trust Indenture governing the Notes will not contain any financial covenants and will contain only limited restrictive covenants. In addition, the Trust Indenture will not limit the Company’s or its subsidiaries’ ability to incur additional indebtedness, issue or repurchase securities or engage in transactions with affiliates. The Company’s ability to incur additional indebtedness and use its funds for any purpose in the Company’s discretion may increase the risk that the Company may be unable to service its debt, including paying its obligations under the Notes.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENTS

Each of CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. is, directly or indirectly, a wholly-owned subsidiary or an affiliate of a Canadian chartered bank or other financial institution that has entered into senior unsecured credit facilities, as lender, with the Company (collectively, the “Company Affiliate Lenders”). Each of BMO Nesbitt Burns Inc., CIBC World Markets Inc. and TD Securities Inc. is, directly or indirectly, a wholly-owned subsidiary or an affiliate of a Canadian chartered bank or other financial institution that has entered

into one or more credit facilities, as lender, with the Bank (collectively, the “Bank Affiliate Lenders”, and together with the Company Affiliate Lenders, the “Affiliate Lenders”) used to finance insured residential loans prior to securitization.

The Company’s senior unsecured credit facilities are comprised of a revolving credit facility of up to \$200,000,000 and a term loan facility of up to \$275,000,000, with approximately \$● drawn as of the date hereof. The Bank also has two credit facilities totaling \$1.6 billion in the aggregate with the bank affiliate of certain of the Agents that are used by the Bank to finance insured residential loans prior to securitization with approximately \$● drawn as of the date hereof. Consequently, the Company may be considered to be a “connected issuer” of such Agents for the purposes of Canadian securities legislation. The Company and the Bank are in compliance with all terms of all such credit facilities, the Affiliate Lenders have not waived any breach of such credit facilities and there has been no material adverse change to the financial position of the Company or the Bank since the indebtedness was incurred.

The Bank’s securitization activities also include selling uninsured loans by entering into an agreement with an Affiliate Lender of one of the Agents and participating in a securitization program sponsored by that Affiliate Lender. Under this agreement, the Bank sells the loans to the program and they remain in the program until maturity. The bank that sponsors the securitization program retains all of the refinancing risks related to the program. The sale of these loans does not qualify for derecognition on the Company’s balance sheet as it continues to be exposed to substantially all of the risks and rewards associated with the transferred assets. As a result, the loans continue to be recognized on the consolidated balance sheets at amortized cost and the proceeds received are recognized under securitization liabilities. As of April 30, 2024 approximately \$● of funding is outstanding under this program. The loans transferred by the Bank are pledged as collateral for these securitization liabilities. The Bank is in compliance with all terms of such arrangements.

The decision to distribute the Notes offered hereby and the determination of the terms of the distribution were made through negotiations primarily amongst the Company and the Agents. The Affiliate Lenders had no involvement in such decision or determination, but have been advised of the offering and the terms thereof. As a consequence of the offering, each of BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. will receive its proportionate share of the Agents’ fee payable by the Company to the Agents. National Bank Financial Inc. and Scotia Capital Inc., Agents in respect of which the Company is not a related or connected issuer, have participated in the structuring and pricing of this offering of Notes, and in the due diligence activities performed by the Agents for this offering.

LEGAL MATTERS

In connection with the issue and sale of the Notes and the Series 5 Shares, certain legal matters will be passed upon on behalf of the Company by McCarthy Tétrault LLP and on behalf of the Agents by Torys LLP. As of the date hereof, partners, counsel and associates of McCarthy Tétrault LLP and Torys LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any securities of the Company or any associates or affiliates of the Company.

STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (a) the date that the Company (i) filed the prospectus supplement or any amendment on SEDAR+ and (ii) issued and filed a news release on SEDAR+ announcing that the prospectus supplement is accessible through SEDAR+, and (b) the date that the purchaser or subscriber has entered into an agreement to purchase the securities or a contract to purchase or a subscription for the securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. KPMG LLP has confirmed it is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Odyssey Trust Company at its offices in the city of Toronto will be the transfer agent and registrar for the Series 5 Shares.

The trustee and registrar of the Notes is Computershare Trust Company of Canada at its offices in the city of Toronto.

CERTIFICATE OF THE AGENTS

Dated: July ●, 2024

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

**NATIONAL
BANK
FINANCIAL
INC.**

**BMO NESBITT
BURNS INC.**

**CIBC WORLD
MARKETS INC.**

**SCOTIA
CAPITAL INC.**

By: ●

By: ●

By: ●

By: ●

●

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

By: ●

By: ●